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JPRS-SSA-86-081

29 JULY 1986

Sub-Saharan Africa Report

DISTRIBUTION STATEMENT A

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DTIC QUALITY INSPECTED 3

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29 JULY 1986

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INTER-AFRICAN AFFAIRS

ECOWAS EXTERNAL DEBT LIST RELEASED

Lagos BUSINESS TIMES in English 2 Jun 86 p 1, 24

[Article by Nduka Nwosu]

[Text]

THE economic recovery package currently under draft by the ECOWAS Secretariat, has put the sub-region's total external trade debts at 26 billion dollars about N26 billion with Nigeria and Ivory Coast topping the list.

Debt servicing alone, had by 1983 consumed Ivory Coasts 31 per cent export earnings, 18.6 per cent of Nigeria 16.8 per cent and 14.2 per cent for Togo and Ghana respectively.

Transfers made as repayments of the principal with regard to public debts reached a 310 million dollars about N310 million peak (1983) in Ivory Coast while Nigerian recorded 1.07 billion dollars (about N1.07 billion) interest payment. Government external debt reached 413 million dollars about N413 million) in Ivory Coast and in Nigeria the peak stood at 914

million dollars (about N914 million)

The interest rate on loans took a long stride of 11 per cent in Nigeria, 10.8 per cent in Ivory Coast and 8.7 per cent in Liberia. The repayment and moratorium period were also short allowing 7 and 2 years respectively for Nigeria, 14 and 5 years for Liberia and 16 and 4 years for Ivory Coast.

ECOWAS sources expressed dismay at the speed of debt accumulation which was attributed as the consequence of the inability of members of the community to keep up to their debt servicing obligations while maintaining a reasonable economic growth rate.

Recovery, in ECOWAS circles, implies among others the correction of external balance of trade and payments through a structural correction of the monetary and financial disequilibria. The proposals which the community's ministerial council will deliberate upon later this month will correct these structural imbalances through a study of the short and long term domestic and

external factors of the economy.

On the domestic side, the community will try to ease out inappropriate macro-economic policies which were only capable of generating slow growth while causing a deterioration in the balance of payments.

It will try to phase out unprofitable investments which forced some member countries into borrowing after exhausting the capacity for debt servicing so as to finance non-productive public investment, whose marginal impact on the economy is hardly appreciable.

While the community's draft proposition recognises debt scheduling as one of the principal causes of the debt crisis, it is also reminding the Ministerial Council of unfavourable loan terms (such as the disproportionate increase of short term debt or a piling up of tight amortisation schedules which only lead to a bunching of repayments obligations.

On the external side, the

council will try to correct the diverse external developments which tend to worsen debt crises. This is more so if interest rate policy and terms of trade move to the backseat. The secretariat in taking any long term decision takes account of the rise in the exchange rate of the dollar and the low profile approach to the Third World in the official development assistance policy of industrialised nations.

With this unhealthy economic climate affecting developing countries (LDCs) 8 ECOWAS states have recorded negative terms of trade rates from 6.3 per cent for Benin Republic to 1.5 per cent for Mali. It was also observed that a substantial part of external loan has been linked in recent times to a floating of the interest rate of the London inter-banking market.

However, these interest rates would also rise for reasons not connected with the situation in the debtor country such as Nigeria where the economic downturn has considerably depreciated the naira exchange.

INTER-AFRICAN AFFAIRS

APPEAL OF EAST, WEST TO COUNTRIES OF REGION COMPARED

Johannesburg BUSINESS DAY in English 2 Jun 86 p 6

[Article by Simon Barber]

[Text]

DR NTHATO MOTLANA had this to say to the *Wall Street Journal* recently: "If the communist party is now appealing to some people, it is because the white people of the world, including the US, have never been keen to help us. The West simply washed its hands of us while the socialist countries of the world have always supported us."

No doubt this will be used by some in an I-told-you-so way to infer — quite wrongly — that the good doctor has dangerous leanings. In fact, looking at Africa as a whole, and not just at the disenfranchised majority in SA, Motlana is exactly right. The East bloc delivers what its beneficiaries want; the West does not.

Consider the special UN General Assembly session on Africa's economic crisis that began last Monday with the primary purpose of extracting from the developed (non-communist) world an extra \$8 000m-\$10 000m in aid and debt relief over the next five years.

Much of this money will likely be forthcoming but with strings which most of the recipient regimes, though they are being very polite and deferential right now, find utterly repugnant. Be still my heart, they are being asked to become, gulp, democratic.

Secretary of State George Shultz

told the assembled foreign ministers: "The resolution of Africa's economic crisis lies in the liberation of its people from policies that have stifled innovation and have led the nations of the continent into their present troubles... successful development in any nation — in Africa as anywhere else — lies most fundamentally in the expansion of human opportunity."

Dismantle the parastatals, unleash the private sector, end price controls, pay farmers a fair market price for their produce, stamp out corruption, Shultz was in effect saying, and we will help you. Otherwise we will be wasting our time.

He might as well have been asking half the assembled dignitaries to commit suicide.

The Soviet representative, Deputy Foreign Minister Yuli Vorontsov, was far more understanding. "The colonialists of yesteryear," he proclaimed, "would like to use loans and credits in order to make African states bargain away their political independence which they have won in a tough battle against imperialism."

"The so-called contribution of imperialism, and first of all US imperialism, to African affairs is

not confined to economic diktat," Vorontsov went on to remind his audience. "It manifests itself in acts of aggression, armed interference in the internal affairs of sovereign states..."

In other words, gentlemen, these evil donors are trying to undermine you with their artful kindnesses, but do not be deceived, their true objective is your overthrow, so what you really need is us and our guns to protect you.

It is no mystery why virtually all African countries have adopted if not Marxist, then socialist models. The answer is one word: power.

Centralised, monolithic, unshakable and, of course, legitimate in the eyes of Western intellectuals. As far as the latter are concerned, less scientific forms of despotism, such as those practiced by Pretoria or Zaire's President Mobutu, simply will not do.

Now the leaders of post-colonial Africa cannot be blamed for their dirigiste tendencies. Democracy has only worked in countries whose societies are broadly educated and nourished and have a basic sense of nationhood, and where, perhaps most important of all, political losers can be confident that they will (literally) live to fight another day.

Such happy circumstances do not obtain in most of Africa.

The elites that took over from the departing or ousted colonisers could not trust the populations they aspired to govern, particularly since those populations were often divided on ethnic and other lines and tolerance has never been one of the continent's most salient virtues.

The approaches adopted by the Kaundas and Nyereres may have differed from those of Frelimo and the MPLA, but mostly as a matter of tone, not substance. Whether calling themselves comrade or the father of the nation, all have sought to confirm the infallibility of the state as embodied in their own person and party.

In the face of overwhelming contrary evidence, such infallibility could not survive if the governed were allowed to think, act or make decisions for themselves. They must be made to believe that all good flows from the state, and all evil from the outside world, in particular from Western "racists" (see how they support SA) and "imperialists".

Free enterprise and the marketplace pose a grave threat to such regimes because they imply people making decisions, acquiring and distributing wealth and goods beyond the state's control.

For one thing, this means that someone other than the great infallible state is putting food on people's tables. Which cannot be tolerated. It is better that people — except, of course, for those in the cities needed to maintain the state machine — starve.

Along come the donor nations, callously demanding that the apparatus and mythology of state

control be undone and extolling the virtues of its most dangerous enemies: the private sector and individual initiative. A cruel, neo-colonialist trick.

The East, on the other hand, understands and sympathises with these regimes. It doesn't nag about human rights or corruption or incompetence or the creation of good investment environments.

It talks instead about power, its acquisition and maintenance, and is only too happy to provide the necessary tools and the moral and military support. To be sure, it too may put a price on these services, but at least they are the services that are wanted.

Much the same applies to the SA situation. Here again the West is behaving in a manner entirely counterproductive to the interests of the elite seeking power.

Craven as ever, the US and its allies are trying to foster an open, multiracial democracy.

They are pumping in money for black education and business creation. They are trying to encourage dialogue and peaceful transition. Their companies are providing employment and helping to improve living standards, spoiling the proletariat for their re-enslavement once the existing order has given way. And they are resolutely refusing to destroy the economy.

What a solicitous, uncompromising friend is the East bloc by comparison. It makes all the right noises in international fora. It provides the guns, the ammunition and the legitimising ideology.

And it asks absolutely nothing in return ...

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CSO: 3400/197

BURUNDI

WORSHIP IN WORK TIME BANNED TO CURB CHURCH INFLUENCE

Blantyre DAILY TIMES in English 10 Jun 86 p 9

[Article by Michael Rank]

[Text]

PRESIDENT Jean-Baptiste Bagaza has banned religious worship in working hours in Burundi in what western diplomats say is part of a campaign to limit the influence of the church.

But although 130 missionaries were forced to leave the country last year because their visas had not been renewed and about 45 more were refused entry to the country, the government stopped short of opening a full scale vendetta against the church, they said.

Interior minister Lieutenant-Colonel Charles Kasatza denied the restrictions had caused severe church-state friction. "We have never had any idea of preventing or restricting religious activities," he told Reuters.

Bagaza, a progressive, pragmatic leader who seized power in a coup in 1976, did not want to suppress the Roman Catholic Church and other denominations completely, the diplomats said.

But he considered the church to be a threat, partly because of its close ties with the Belgian coloni-

alists before independence in 1962.

"Bagaza and most of the government consist of able, modernising technocrats rather than marxist atheists.

"They are not carrying out a wholesale vendetta against the church but they want it kept in its place as they see it historically as a rival, and a conservative one at that," said one western diplomat.

Western diplomats say the problem is indirectly linked to Burundi's ethnic divide which culminated in the massacre of 200,000 people in 1972.

Burundi has long been dominated by the relatively well educated Tutsi tribe who make up only about 15 per cent of the 4.7 million population. The Hutu majority have traditionally been subser-

Underdog

Bagaza and his close advisers are all Tutsis but they have worked hard to achieve national reconciliation, according to the diplomats.

A western diplomat who asked not to be iden-

tified said the church was seen as a threat because it tended to sympathise with the underdog.

"The church has a natural mission to help those most in need, and in this country that generally means Hutus. Although the presence of missionaries here does not in itself legitimate the distinction between Hutus and Tutsis, it does tend to keep it alive, he added.

He said the departure of the missionaries could have a serious effect on schools and health services.

Although both church and government officials play down the seriousness of the latest crackdown on worship, there is considerable resentment at least among some Catholics.

Four laymen and an elderly Jesuit university lecturer, Father Gabriel Barakana, were jailed last December for stirring up opposition to the curbs.

Barakana was imprisoned for four years for approving an anonymous letter to the bishop of Bujumbura, Michel Ntuyahaga, accusing him of capitulating to the government over the re-

strictions and urging him to fight them instead.

The regulations announced last year ban attending church services before five o'clock in the evening on weekdays and limit the holding of religious ceremonies to approved places.

Restrictions

The government says the restrictions are not aimed at the church as such. They were intended to "allow us Burundians to work carefree ... And to increase production too," Kasatza said.

"There are no problems

between the (Catholic) bishops and the government. They accept the policy totally."

The restrictions on worship applied to the country's tiny Moslem minority as well as to Christians and bars were also banned from opening before five o'clock to prevent idleness, he added.

About 65 per cent of Burundians are Catholics and most of the rest are protestants or animists.

A senior Burundian Catholic priest said he did not believe the government wished to persecute

the church and that both sides wanted to reach an amicable solution.

"We have not seen any sign that the government wants to suppress the church. We are confident that there is no anti-church tendency in this country," said the priest, who spoke on condition that he was not identified.

"Both the church and the government have expressed their wish to resolve the problems between us. They cannot be solved overnight but I believe they can be solved," he added. Reuter

/13104

CSO: 3400/239

GABON

BRIEFS

NEW OIL FIELD FOUND--Libreville, July 5 (AFP)--A consortium of firms, including Royal-Dutch Shell and Elf-Aquitaine, Saturday announced the drilling of a new successful onshore oil well in Gabon that could be part of the largest oil field yet discovered in the Central African state. A statement by Shell's Gabonese subsidiary, Shell-Gabon, said oil was found at a depth of 1,100 meters (3,600 feet) near the coast, 170 kilometers (100 miles) south of Port Gentil. The statement said that test drilling at the well, baptised Kounga-1, had produced 3,100 barrels per day. The drilling area is controlled 50 percent by Shell-Gabon, 30 percent by Elf-Gabon and 20 percent by the French firm Elf-Aquitaine. Shell-Gabon said the Kounga-1 well appeared to be part of a larger oil field first tapped in 1985. The statement said the two sites could be the largest oil field yet discovered in Gabon. It said further test drills would be sunk to determine the size of the field. Gabon is one of the 13 members of the Organization of Petroleum Exporting Countries (OPEC). [Text] [Paris AFP in English 1447 GMT 5 Jul 86 AB] /6662

JOINT EXERCISE HELD WITH FRENCH--Libreville, July 5 (AFP)--Some 1,500 French troops began a week-long exercise near here Saturday involving "recapture" of Gabonese territory "invaded" by a neighbouring country in a fictitious row over oil deposits. The manoeuvres, also involving 4,000 Gabonese troops, 40 planes and 14 warships, coincided with an announcement by foreign firms here of a new oil find they said could be part of the largest field discovered so far in the oil-rich Central African former French colony. [Text] [Hong Kong AFP in English 0255 GMT 6 Jul 86 HK] /6662

CSO: 3400/223

MOZAMBIQUE

STATISTICS REVEAL SLIGHT EFFECT ON RSA SANCTIONS ON ECONOMY

Johannesburg THE STAR in English 30 Jun 86 p 10

[Article by John D'Oliveira]

[Text] As the international community prepares for harsher sanctions against South Africa, Mozambique has declared that it is gearing itself for the "suffering" that will be brought on by sanctions and by expected South African reprisals against neighbouring states.

Foreign Minister Joaquim Chissano told the five-day Paris conference on sanctions against South Africa recently that his country was ready for the sacrifices that would have to be made because it believed that its problems with the Mozambique Resistance Movement's guerrillas would cease only when apartheid was destroyed.

However, for almost all of Mozambique's 15 million people, sanctions against South Africa will make hardly any difference to their already distressing economic situation.

And the price that Mozambique would pay for supporting and implementing a sanctions campaign would not be nearly as high as the economic price it has already paid since Frelimo took over from the Portuguese in 1975.

The effect of sanctions on Mozambique must be seen against the background of Mozambique's chaotic economic situation.

Reliable statistics are difficult to come by, but Professor Andre Thomashausen, director of the Institute of Foreign and Comparative Law at the University of South Africa, gave some when he addressed a South African Institute of International Relations conference in Johannesburg earlier this year.

The following statistics illustrate the decline in production and economic activity in Mozambique:

- Tourists: 291 574 in 1972, 1 000 in 1985.
- Cashew nuts : 216 000 tons in 1973, 5 800 tons in 1983.
- Sugar: 285 581 tons in 1974, 120 000 tons in 1982.
- Maize: 400 000 tons in 1972, 200 000 tons in 1983.
- Rice: 111 000 tons in 1972, 30 000 tons in 1983.
- Bananas: 280 000 tons in 1972, 65 000 tons in 1983.
- Fish and shrimps: 32 000 tons in 1980, 7 965 tons in 1983.
- Cotton: 280 000 tons in 1972, 73 000 tons in 1981.
- Coal 574 800 tons in 1975, 100 000 tons in 1984.
- Copper: 3 446 tons in 1975, nothing in 1980/81.
- Cement: 611 000 tons in 1973, 261 000 in 1981.
- Freight traffic by sea: 17 million tons in 1974, 1,2 million tons in 1984.
- Number of goats: 600 000 in 1972, 350 000 in 1983.
- Number of pigs: 220 000 in 1972, 135 000 in 1983.

According to the latest statistics released by Maputo's National Planning Commission, exports amounted US\$123,8 million in 1975, increased to \$245 million in 1981 and dropped to \$81,6 million last year.

In most of the country, what little economic activity there was has virtually come to a standstill because the MNR concentrates on "economic" targets and has almost destroyed

Mozambique's flimsy internal transport and communications infrastructure.

For the vast majority of Mozambicans, this means they have been thrown on their own resources and must live (or die) without help from the central government or its agencies.

Government, in effect, is confined to the bigger towns and to the capital of Maputo.

In these centres, life for most people is already tough because of shortages of both domestically and externally produced goods.

At present, South Africa's most important contribution to the Mozambican economy comes from the money (officially estimated at R116,8 million in 1983) sent home by the more than 60 000 Mozambicans who officially work in South Africa and from the 1,6 million tons (1984/85) South Africa ships through Maputo harbour.

Most observers believe there are many more than 60 000 Mozambicans working in South Africa, but even double the number would inject only R230 million into the Mozambican economy.

The development projects that might have gone to Mozambique as a consequence of the Nkomati Ac-

cord have been few and small for a number of reasons, mainly the current economic depression in South Africa.

So, as things stand today, a complete break with South Africa will add to Mozambique's already heavy economic burdens — but it will make hardly any difference to the average Mozambican.

For the people in the towns and the cities, the shortages might become even more severe.

But the "suffering" that sanctions will bring cannot approach the suffering already imposed by the unresolved civil war in the country.

Nor will rebellion cease if and when apartheid is destroyed.

Whatever help the South Africans may or may not have given the MNR, it is clear that the MNR today is capable of enormous disruption in Mozambique without any help from anybody, even though it may not be in a position to defeat Frelimo and take over Mozambique.

While the MNR may exaggerate its own support in Mozambique, it could not operate as widely and as effectively as it now operates without taking advantage of government incompetence on one hand and fairly widespread support on the other hand.

/13104

CSO: 3400/250

NIGERIA

OVERSEAS BANKS DEMAND THIRTY PERCENT RESERVE DEPOSIT

Lagos BUSINESS TIMES in English 16 Jun 86 pp 1, 24

[Text]

OVERSEAS banks have been demanding 30 per cent reserve deposit for every 100 per cent of credit line extended to its Nigerian customer a rule that bends in favour of the stringent banking regulations (in USA) which insist that debts not serviced after 90 days become non-performing assets in the bank's books.

This new attitude to her Nigerian customers by overseas trading partners is reported to be the consequence of the country's poor credit rating and payments habit so much so that new banks that were recently exposed to the Nigerian trade environment have moved their credit portfolios to the

debt managers desks.

It looks like the banks abroad reached a consensus a long time ago not extend much more credit lines to Nigeria until there was a credible resolution of her cash flow and liquidity problems.

UBA's current monthly Business and Economic Digest, reports that European banks have been more conciliatory than American financial institutions. For instance, some prominent banks in Europe — BNP, Standard Chartered and Barclays Bank, are said to have done so well in the Nigerian market as partners in the United Bank for Africa, the First Bank and the Union Bank, Nigeria's three biggest banks, that they cannot now shut the door.

This means that they are still extending credit lines not less than 50 per cent, which are usually earmarked for their favourite Nigerian companies.

Because Nigeria is historically of more strategic importance to Europe

than the US, European suppliers and exporters with high stakes in the Nigerian economy tend to exert more pressure on their home banks to keep their business alive in the lucrative Nigerian market.

Meanwhile as Nigeria battles with the main elements in her medium term recovery package, the UK club is reported to have granted her a 90 day moratorium on her trade debt, affecting debts whose principals would have matured some time last April and next September 30.

Perhaps, this is in keeping in line with the clean report of performance which an IMF team that visited Lagos last May based on Babangida's current economic recovery package.

The team led by Dr. Abubakar Quatara former ECOWAS executive secretary, was said to have examined Nigeria's proposed Medium Term (MT) plan and left precedent conditionalities that helped to resolve the impasse at the present level of negotiation.

NIGERIA

FRENCH CREDIT AGENCY RESCUES FOURTH REFINERY

Lagos BUSINESS TIMES in English 16 Jun 86 p 1

[Article by Ndu Ughamadu]

[Text]

FRANCE has now decided that its export credit agency (COFACE) which had been foot-dragging over extending cover for the fourth refinery of the Nigerian National Petroleum Corporation (NNPC) at Elesha-Elеме, near Port Harcourt will extend such.

However, the export credit agency of Japan (MITI) had extended its own cover some months ago. Work had almost been grounded at the refinery, because of COFACE's reluctance in extending its cover for reasons not unconnected with the present economic recession in the

country.

Only recently, the Petroleum Resources Minister, Alhaji Rilwanu Lukman, told the Business Times in an exclusive interview that he was optimistic that France would meet its part of the contract agreement on the fourth refinery.

A United Bank for Africa's source said last week that France's latest and positive stand on the refinery was sequel to President Mitterand of France and Prime Minister Nakasone of Japan's discussion on the issue at the May 3 - 5 summit of the seven leading industrial leaders in Tokyo "where it was mutually decided that France should extend

its own cover, thereby removing the last stumbling block".

The meeting of minds far away in Tokyo more than anything, reflects the concern of the West, and Japan for the economic security and political stability of Nigeria, it also underscores the country's strategic and commercial importance.

In February 1985, the NNPC signed a 470m dollar contract with a consortium of companies, JGC and Marubeni of Japan, Spie Batignolles (Spibat) of France and Spibat Nigeria Ltd for the financing of the foreign exchange component of the refinery among others.

Sure enough, the new refinery is designed to process 150,000 barrels a day (bd) of Bonny light from the Shell Petroleum Development company's terminal.

Accordingly, this will boost Nigeria's refining capacity to 410,000 barrels a day.

On the completion of the fourth refinery around 1987, all things being equal, it will also produce yearly 123,000 metric tons of liquefied gas, 2.78 million metric tons of gasoline, 930,000 metric tons of fuel kerosine, 820,000 metric tons of diesel oil and 2.35 metric tons of fuel oil.

/9317

CSO: 3400/200

NIGERIA

BRIEFS

COMMONWEALTH SANCTIONS URGED--The Federal Government has said in Lagos that it "sees no option open to the Commonwealth, if it is to maintain its credibility than to adopt effective and comprehensive sanctions against South Africa." In a statement on the report of the Commonwealth Group of Eminent Persons, the Federal Government called on the "international community to draw the right conclusions if a blood-bath of immense proportion is to be avoided in South Africa." It called on the international community to "undertake such effective measures that will compel the apartheid regime to change its policies and thus make the demise of apartheid as non-violent as possible. The Federal Government noted: "It is now clear beyond any shadow of doubt that the apartheid regime will not be persuaded by negotiations, however, well intentioned, to start the process of dismantling its evil policy." [Text] [Enugu DAILY STAR in English 16 Jun 86 p 1] /9317

CSO: 3400/200

UGANDA

MUSEVENI SAYS KENYA TO PERMIT ACCESS TO PORT

Paris THE INDIAN OCEAN NEWSLETTER in English 21 Jun 86 p 2

[Text] Ugandan President Yoweri Museveni, after his first official visit to Kenya since coming to power, said on June 17 that the Kenyan government will allow Ugandan trains carrying coffee for export to cross through Kenya to Mombasa for the first time since 1977, when the East African Community broke up.

The agreement should enable Uganda to save \$12.8 million a year, Mr Museveni said on the return from a one-day trip to Nairobi. Transporting a tonne of coffee by road to Mombasa costs \$116 dollars, against \$52 for transport by rail, he said.

I.O.N.--This decision highlights the good relationship between Daniel arap Moi and Mr Museveni, whose Marxist tendencies roused concern in Nairobi as recently as last autumn, when he attended peace negotiations in Kenya between rival Ugandan factions. Since that time, however, Mr Museveni has made a number of undertakings both to western countries, who have given him moral support, and to his powerful neighbour.

The decision to allow Ugandan trains to pass through the country will nonetheless have a negative impact on Kenyan hauliers who made sizeable profits out of transporting Ugandan coffee to Mombasa. Overall, the current downward revision of the overvalued Ugandan and Tanzanian currencies against the Kenyan shilling should progressively stimulate trade between the former members of the East African Community.

/9274

CSO: 3400/197

ZIMBABWE

BANANA SAYS NATION TO INCREASE MILITARY BUDGET

Johannesburg THE CITIZEN in English 25 Jun 86 p 15

[Text]

HARARE. — Zimbabwe opened the second session of its second independence Parliament yesterday with the Prime Minister, Mr Robert Mugabe, assured of his largest majority ever and only three seats shy of the number he needs to make his country a one-party state.

President Canan Banana opened the session after a military parade which included low-flying jets screaming overhead thundering volleys from cannons firing blank shells.

Mr Banana did not mention a one-party state in his speech, which was devoted largely to domestic Budget issues.

The President said that his government intended to put more money into military spending.

He did not say what percentage of the Budget would be given to the

military. There also was no mention of whether the government would renew a state of emergency which is now in its 21st year, but is due to end late next month.

Although the current Parliamentary session is a Budget one, it could very well be the one that gives Mr Mugabe's ruling Zimbabwe African National Union (Patriotic Front) the 70 seats it needs to push through its long-sought goal of a one-party state.

Mr Mugabe, who controlled 57 seats at independence six years ago, now controls 67 — two-thirds of the Chamber. The majority includes independent Mr Chris Anderson, the only White in Mr Mugabe's Cabinet and Mr Charles Duke, a White Conservative who defected from the former Prime Minister, Mr Ian Smith's Conservative Party on Jun 5 to join Zanu-PF.

Under the British-drafted constitution that this country accepted at independence in 1980, Zimbabwe became a multi-party state with a 100-member legislature that assured 20 seats to the former White rulers of colonial Rhodesia.

But the constitution allows the Zimbabwean assembly to amend the document with the backing of 70 of its members. That includes an immediate vote for a one-party state. Even with the 70 votes, Mr Mugabe would have to wait until April, 1987, to abolish the White seats.

Of the 33 seats not under Zanu-PF control, the Zimbabwe African People's Union, the major Black opposition party, and Mr Smith's Conservative Alliance of Zimbabwe control 14 seats each and the moderate Whites of the independent Zimbabwe group have three. — Sapa-AP.

/13104
CSO: 3400/239

29 July 1986

ZIMBABWE

GOVERNMENT BLAMED FOR "DISMAL" STATE OF CONSTRUCTION

Harare THE FINANCIAL GAZETTE in English 14 May 86 p 1

[Text]

THE Zimbabwe government's persistence in awarding lucrative construction work to foreign contractors, the concept of building brigades, and existing employment and wages policies, have combined to produce the local construction industry's "most dismal five-year performance record" since the recession of the 1930s.

So says a report recently commissioned by the National Joint Practice Committee incorporating the construction industry and allied professions (architecture, quantity surveying, steelwork and engineering).

An effort to illustrate to government the position in which the construction industry found itself at the end of last year, the report also makes numerous suggestions as to how, with government understanding and assistance, it could be revitalised, and in so doing, "assist to its utmost ability in bringing about the more rapid and successful development of Zimbabwe".

SKILLS & EXPERIENCE

Pointing out that Zimbabwe has at its disposal the services of a highly skilled and experienced construction sector plus resources capable of carrying out three times the volume of work actually being undertaken by it, the report calls "unwelcome", the experience of seeing major prestige contracts awarded during the business upturn of recent years, go to foreign contractors.

"Government, the largest single

capital works developer, has encouraged the employment of foreign contractors to execute works well within the scope and ability of the local industry.

"This is amply illustrated by the Hotel & Conference Centre in Harare, the Sports Stadium in Harare, World Bank-funded road projects, borehole drilling projects, World Bank-funded urban developments and aid-funded rural water projects".

It is unrealistic, the report continues, to expect Zimbabwe's population to accept that foreign contractors, often appointed under very favourable conditions, should be busy at this time, while local building workers are unemployed, contractors are under-employed and national assets in plant and skilled personnel are under-utilised.

Results of this policy include suspension of training activities within the industry, loss of personnel at all levels of skill, loss of commissions and work for local professionals, of customs duties and excise for government itself, and the spending of considerable amounts of foreign currency.

SERIOUS DECLINE

"Zimbabwe's construction sector is being prevented from making its potential contribution by a number of policy issues that are forcing the industry into a state of serious decline.

"If the current threats to the industry are not removed, an inevitable result will be the collapse of

efficiency in the whole sector, the dissipation of related skills, the demise of building-supply companies and the failure of the nation's urban development plans", the report says.

Other major handicaps for the local construction industry are the issues of minimum wages, periodic wage awards, job protection and the upgrading of semi-skilled workers whose skills and experience may not be enough to carry the responsibility.

The industry believes that a "generally uncooperative attitude to employers" has resulted from these policies, an attitude that is perpetuated by labour relations legislation "which appears to many employers to have been drafted on an underlying assumption that only workers have rights and all obligations are to be met by employers".

Building brigades, the report states, "are effectively a manifestation of the distrust in which the authorities hold the motives, working methods and skills-requirement claims of private sector contractors". The right place for building brigades would be in the rural areas — for single units like schools and clinics — not on large residential projects beyond their scope.

In choosing to apply the mixture of current policies like these, "the Government of Zimbabwe has brought about conditions that have combined to produce the most dismal five-year performance record seen by this country's construction sector since the economic recession

of the 1930s," says the report.

But all is not lost. The report goes into several lengthy recommendations for this situation to be improved. They include a call for reversal of government preference for foreign contractors on local contracts, lower wage rates for school leavers (to encourage increased employment), and relaxation of rent controls for the encouragement of private housing developments.

An important recommendation put forward is a scheme to ease requirements for the purchase of housing and bringing mortgage finance within reach of more, less well-paid people, to stimulate demand for housing developments.

"Until conditions that hamper saving, investment and growth are removed", the report concludes, "the potential contribution of the sector as a provider of services, employment and tax revenues and as a spearhead of physical development and progress will remain unfulfilled".

/13104

CSO: 3400/239

ZIMBABWE

COLUMNIST OUTLINES IDEAL AGENDA FOR NAM CONFERENCE

Harare SUNDAY DAILY MAIL in English 25 May 86 p 8

[Article by Trevor V. Ncube]

[Text] The hosting of the Non-Aligned Movement summit by Zimbabwe later this year is likely to remain one of the greatest political events to take place in this continent for a very long time to come. World attention, especially that of the progressive section of the world, will be focused on the events of Harare.

When the 101 world leaders take their seats at the Harare Conference Centre they will be faced with an unenviable task, to say the least. The agenda for the talks is most likely to be a hard nut to crack, since it would be an attempt towards solving some of the most burning international issues.

Featuring high on the agenda should definitely be the situation just across Zimbabwe's southern border, where the crisis in South Africa is moving inexorably towards its climax. The summit delegates will be looking for ways and means of dismantling the inhuman political system in South Africa.

The conference, owing to the political climate within which it has been hosted, will be expected to tackle a grave world problem, namely the arms race. They will either have to endorse Cde Mikhail Gorbachev's latest programme of saving the world from a possible nuclear holocaust by the year 2000, or formulating and tabling their own proposals.

The Iran-Iraq war is still raging on unabated and now going into its sixth year. Both belligerents are member states of the Non-Aligned Movement. Issues which seek the attention of the movement and involving two or more members are likely to divide the movement.

A solution has to be found to this costly and unnecessary Gulf war. It has brought enough human suffering not to mention the economic damage. This issue is bound to test the political maturity of the movement — they must not allow themselves to be divided.

The political situation in South America, where the United States is pursuing its self-styled role of being world policeman has caused a lot of human suffering and loss of life by aiding anti-government elements like the so-called contras in Nicaragua and by supporting right-wing dictatorial governments as has happened in El Salvador, will call for their attention.

The movement has to register its condemnation

of any form of interference in the affairs of a sovereign state, be it a member of the movement or not.

The Namibian question which has been linked to the presence of Cuban troops in Angola by the Americans certainly deserves the attention of the movement. Coming in as it does after America's unprovoked attack on Libya the summit will denounce such acts of military aggression as avenues of settling political disputes.

For the benefit of world peace and stability such naked aggression cannot be condoned and the movement can be expected to give full support to Libya as the preparatory meeting in New Delhi has done.

Most member states, especially those from Africa have just been through severe droughts and hence numerous economic problems, with their attendant social repercussions.

While there has been a general world economic upturn, especially on the world capitalist economies, developing countries have not experienced any

major changes simply because the very poor are the last to benefit when times are good and the first to be hurt when times are bad.

It is on economic and social problems facing the world and the developing countries in particular that concrete solutions will be expected from the summit. Indeed, the relations of the Third World countries and the developed capitalist countries have been characterised by inequality, domination and outright exploitation.

The gap between rich and poor countries is morally indefensible and the present international economic system must be altered to begin to moderate present extremes in the distribution of income and wealth.

They should seek to remedy the ever-increasing debt problem facing the developing countries, which in its current state cannot be serviced without damaging the economies.

The developed capitalist countries have certainly let these developing countries down and in August in Harare the latter should decide to act and act on their own and collectively.

While the call for a New International Economic Order is still justifiable, perhaps it should be realised by all involved that the developing countries cannot expect the Western world to rescue them from their poverty. I believe that no effort should be spared in attempts to bring about meaningful South-South co-operation.

The realisation that the developed countries have over the past decade been back - pedalling on their promise to search for a workable and mutually beneficial world economic order, should push the delegates at this conference towards efforts to seek for a South solution to South economic problems.

They will have to search for means of ex-

plotting the vast scope of potential South-South co-operation, whether in economic or humanitarian spheres, for the benefit of the majority of the world's population living in the South.

Indeed, August will not be a time for collective wound licking, or pointing to colonial legacy for present economic problems, it will be time for some bold new initiatives.

After colonial rule, many former colonial masters were content on perpetuating colonial economic relations with the countries of Asia, Africa and Latin America. Apparently to them there was nothing amiss in economic relations which relegated the role of the developing countries to that of supplying unprocessed raw materials while importing manufactured goods.

It was in 1974, hard on the heels of disruptive rises in global oil prices that the developed countries were forced to see that developing countries were not satisfied with the workings of the international economic system and hence made promises of a New International Economic Order out of fear. At least the developing countries had made it clear that they would not stand by while such vital commodities as oil were squandered with little or nothing coming to them.

The pillaging of developing countries had gone on for long enough and had to be stopped. As soon as the developed countries survived this shock, and their fears having aborted, they were prepared to disregard the demand for a New International Economic Order.

International economic relations have, with minor changes gone back to their pre-1974 level. The South has continued to be mortgaged to the North — its natural wealth and minerals, agriculture and commodities, financial resources and industry, trade and com-

munications, even its literacy and health.

It has resulted in the concentration of economic power in the hands of a few developed countries, which lay down the rules of international trade, the monetary system, finance and decision - making arrangements. Consequently the developing countries are economically as dominated today as they were under direct colonial rule.

It is not surprising, then, that the existing order has failed to solve the basic problems of developing countries — acute poverty, unemployment and lack of self-reliance.

The countries of Africa, Latin America and Asia have lost control of deciding at what price their commodities should be sold.

Those developing countries which have moved into the manufacturing sector have faced severe problems in their endeavours to sell their commodities in the developed countries. Generally, developing countries have faced high tariffs from the West, non-tariff and other trade barriers in their attempts to export. Such is the sad state of affairs.

While one is not calling on the developing countries to drop the call for a New International Economic Order one hopes that our leaders will see that this must now take another direction and on a new level altogether. There is more to be gained than lost through collective self-reliance and general collective and regional planning among the non-aligned countries.

Doubtlessly the Non-Aligned Movement is a powerful political force, but most of all these countries are great producers of vital industrial raw materials and a huge market in themselves for that matter. There is good reason for them to turn towards each other for trade and industrial development. Competing with each other in an attempt to gain the con-

fidence of capitalist buyers is harmful to them.

There should be inter-non-aligned trade and co-operation, concerted joint planning of projects and joint efforts on the formulation of common approaches to issues like debt negotiations.

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CSO: 3400/238

ZIMBABWE

PARTY MEMBERS URGED TO PLAY SECURITY ROLE AT NAM SUMMIT

Harare SUNDAY DAILY MAIL in English 22 Jun 86 p 1

[Text] Security officials in Zanu (PF) must be vigilant and must mobilise the masses to strengthen the security of the ruling party to complement Government security efforts at the forthcoming Non-Aligned Movement Summit.

Making the call at a one-day seminar on the role of the security wing of Zanu (PF) at a Harare hotel yesterday, the party's Secretary for National Security, Cde Emmerson Munangagwa, said security had to be heightened in both the party and the Government.

"We have a duty to mobilise the whole country and the youth in order to prevent the enemy from penetrating us," he said.

The recent attacks on the three countries, Botswana, Zambia and Zimbabwe, by South Africa was carried out "in order to demonstrate our vulnerability at a time when important world leaders are preparing to come to our country."

Cde Munangagwa added: "In many respects this attack against us was an exercise in cynicism because the white racists were trying to show the world that black independent states were helpless against them."

But it was also a futile exercise which attempted to give false confidence to Pretoria's white citizens that apartheid would continue forever, Cde Munangagwa, the Minister of State (Security), said.

Heads of State coming for the NAM conference must be assured of the country's security, he added.

"We must be extremely vigilant because the visitors will come anxious to see that we ourselves are security conscious. They know that the South Africans attacked us not so long ago and that we have a dissident problem in a small part of the country.

"The visitors know the reasons for this problem but they have confidence in this country and our leadership as well as in our capacity to host the summit . . . Let us ensure that they take back positive memories regarding their feelings of security whilst in Zimbabwe.

Calling for individual security consciousness among party members, Cde Munangagwe urged them to protect the party from reactionary elements who may seek to destroy it, either from within or from without.

"Those who come from outside may be easier to detect because they may look and sound strange to a party member . . . However, those who are in the party know how to subvert the party using internal means," he said.

"When you look at our structures from the cell upwards, you will notice that the subtlety of the subversion increases. That is why the vigilance of party members must in turn increase as we move up in the party structures."

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CSO: 3400/238

ZIMBABWE

PARASTATALS URGED TO START MAKING PROFITS

Harare THE HERALD in English 24 Jun 86 p 9

[Text] PARASTATALS should reverse operating on a deficit to avoid collapse, the deputy secretary (Administration and Parastatals) in the Ministry of Information, Posts and Telecommunications, Cde Lucas Tavaya, said yesterday.

Addressing 20 senior Government officers responsible for parastatals in Harare on the role of parastatals in the implementation of Government development policies, he said this could only be effected if the Government clearly stated its policy.

"These institutions were initially created with a view to serving only a fraction of the population and now after independence, the burden on these bodies has increased amazingly.

He said it was time parastatals changed their policies and operated on a commercial basis.

The Government and people were unanimous that these institutions should make a profit to keep them in business and not continue receiving financial help to make up for their shortfalls.

Cde Tavaya said areas to be discussed should include relations between boards, management and ministers; growing budget deficits; programme planning; management practices, direction and purposefulness and technological dependence.

Speaking on the same occasion, the senior deputy secretary in the Prime Minister's and Cabinet Office, Cde Willard Chiwewe, said the Cabinet committee on parastatals had been established to curb the drift of parastatals towards privatisation.

"While it had been possible through the Cabinet committee on salaries in statutory bodies to control salaries and wages payable by parastatals to their senior personnel, no further machinery existed at the time of independence to control the equally important areas of staff recruitment, conditions of service, administration and operations policy.

"Hence, the need had arisen urgently and effectively to monitor and redirect parastatal activities to put them in line with Government and national objectives."

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CSO: 3400/238

ZIMBABWE

EDITORIAL CALLS FOR ECONOMIC SELF-RELIANCE FOR AFRICA

Harare SUNDAY DAILY MAIL in English 1 Jun 86 p 8

[Text]

FOR us in Africa the policy of self-reliance is not a matter of choice but a common sense necessity given the stark reality of international unresponsiveness to our desperate calls for assistance. What we often receive, whenever we do, bears no relation to the magnitude of our needs. Many African governments are reduced to running "hand-out" economies — economies dependent on foreign financial hand-outs calculated to keep them barely afloat.

Last week's United Nations special session on Africa's debt crisis and economic stagnation generally demonstrated yet again the need for Africa to look inward to herself and concentrate on self-reliance. The delegates from the developed world listened to Africa's desperate pleas but gave nothing more than the usual diplomatic promissory notes which, in this case, help no one. How much money was spent in organising the special session is a question worth asking.

The African condition is grave and no meaningful foreign assistance is forthcoming. The time has therefore come for the peoples and governments of Africa to recognise and accept that the problems we face can only be solved in Africa by Africans themselves.

It cannot be denied that to a very great extent the debt crisis is a foreign capitalist creation. We live in organised poverty for the

politico-economic benefit of our former colonial masters. They alone set the prices for all our foreign exchange-earning export commodities — minerals, agricultural products, etc. They also determine the prices for the imports we need from them. Placed in such a bind, the mechanism for our exploitation is complete.

Thus unless we unite and boldly present radical challenges to these manifestly colonial arrangements, the debt crisis is here to stay. It is a potent political instrument of control over the ex-colonies and their peoples by the developed nations. Our crisis is their policy success — the political and economic domination of the Third World.

There is, of course, no doubt that we ourselves have also contributed much towards the development of this crisis, first by failure to alter the inherited colonial economic arrangements and secondly, poor management of our own economies and resources generally.

Self-reliance can be an empty and dangerous slogan unless it is purposefully pursued in a disciplined and determined manner. Self-reliance demands that we care for what we have and build on it in the national interest. Mismanagement and corruption, the twin scourges of the Third World, cannot be blamed on foreigners. These are our own evils which militate against our countries' efforts to stand on their own feet.

We believe in the prosperous future of Africa thanks to the awakening crisis we face. In recent years our leaders have had to take some commendable decisions to strengthen inter-Africa co-operation in the fields of trade, commerce and economic development in general. Organisations like SADCC, PTA and the West African Economic Community are concrete examples of Africa's resolve to help herself with or without foreign assistance.

Africa has been exploited and humiliated for too long and no foreigner will get her out of that situation.

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CSO: 3400/238

SOUTH AFRICA

HENDRICKSE CRITICIZES PRESIDENT'S COUNCIL'S DECISION

MB231853 Johannesburg SAPA in English 1803 GMT 23 Jun 86

/Text/ House of Representatives, 23 June, SAPA--The decision by the President's Council to pass the security bills last week had done more harm than good and had reflected upon the good intentions of the House, the chairman of the Minister's Council, Mr Allan Hendrickse said today.

In a statement in the House, he said all members, including the opposition, were disappointed that their best intentions had resulted in a sense of disillusionment.

He said the good that had been done by the House had been negated by the passing of the bills in the President's Council.

"We further believe that in spite of the disheartening situation our presence and participation is essential as an investment for the good of our country."

The decision had not been a moral one as 159 MPs had voted against the bills while 146 had supported them.

The leader of the House, Mr Miley Richards (LP /Labor Party/ Toekomsrus) appealed to the state president to withdraw the bills as a sign of respect towards Parliament.

The House of Representatives and the House of Delegates had expressed their honest feelings in rejecting the bills and common courtesy had demanded that the state president should not have sent it to the President's Council.

"We could have considered rejecting the legislation now being considered by the House but decided that this would be counterproductive," he said.

/12228

CS0: 3400/173

SOUTH AFRICA

HNP MP SAYS RSA CITIZENSHIP WILL BRING MORE BLACKS

MB232002 Johannesburg SAPA in English 1920 GMT 23 Jun 86

/Text/ House of Assembly, 23 June, SAPA--Granting South African citizenship to people from the independent homelands would be a magnet that would attract blacks to South Africa on a grand scale, Mr Louis Stofberg (HNP /Reformed National Party/ Sasolburg) said today.

Speaking in the second reading debate on the restoration of South African citizenship bill, he said that in terms of the legislation 2 million blacks would become South African citizens "at the flick of a finger."

He asked if the minister of home affairs, Mr Stoffel Botha, had estimated the cost of such a move.

More money would have to be spent on schools and measures such as security.

The result would be a worsening of the relationship between whites and blacks, he said.

Many categories of people--including mineworkers who could justify that they were "permanent" residents in the RSA--would claim citizenship.

Mr Stafberg said the government was trying to remove the frustrations of blacks by creating new frustrations for whites.

Granting of citizenship should be done at a special ceremony where a person would feel proud to be a citizen.

"You don't just dish out citizenship to 2 million people," he said.

The government wanted to recreate the Rhodesian situation, where there were so many blacks that the whites had been forced to capitulate.

He promised that the HNP would undo the government's actions and warned that the government would have to take full responsibility for "the civil war" that would result from NP /National Party/ policies.

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CSO: 3400/173

SOUTH AFRICA

FINANCE MINISTER ON PARTITION; BILL READ

MB251103 Johannesburg SAPA in English 1036 GMT 25 Jun 86

/Text/ House of Assembly, 25 June, SAPA--Although partition had once seemed a good idea, it was an unattainable dream that could not be put into practice, the minister of finance, Mr Barend du Plessis, said today.

Replying to the second reading debate on the regional services councils /RCSs/ amendment bill, he said partition was a good idea at the time it was first advocated.

"But if you are driving along and you see an elephant in the middle of the road, it doesn't help to pretend it doesn't exist," he said.

The dream of partition did not take account of economic and other factors and was unattainable.

Responding to points raised by Mr Nic Olivier (PFP /Progressive Federal Party/ nominated), Mr Du Plessis said RCSs were necessary for orderly development in South Africa.

The government was put in a difficult position because the PFP argued that the bill entrenched apartheid while the CP said it would bring about "total integration."

The bill did not change the realities in South Africa but was merely a way of providing necessary services.

In reply to PFP doubts about the wisdom of introducing a levy on businesses before the Margo Commission had delivered its report on the tax system, he said the commission might make a recommendation on the levy.

If the commission came up with a better idea for raising money for development, the government would consider it.

However, the government could not wait any longer and would go ahead with its plans because delays had already cost the country between R1.2 billion and R1.5 billion in lost development.

The bill was read a second time after a division called by the PFP.

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CSO: 3400/173

SOUTH AFRICA

DEPUTY MINISTER ON BLACKS OWNING PROPERTY

MB230626 Johannesburg SAPA in English 1741 GMT 25 Jun 86

/Text/ House of Assembly, 25 June, SAPA--Property rights for South African blacks officially recognised as permanent residents of areas outside the national states were essential for peace and stability, the deputy minister of development and of land affairs, Mr Ben Wilkens, said today.

He was replying to second reading debate on the black communities development amendment bill, which removes the restrictions on blacks owning property in urban areas under the jurisdiction of black local authorities and development boards.

Responding to objections raised by Conservative Party /CP/ members during the debate, Mr Wilkens emphasised that "not one single right" of white people would be affected by giving these rights to blacks.

An important aspect of the bill would be the cooperation and support for restoration of peace, order and stability which would be won in the townships through the acquisition of property rights.

The bill, which Mr Wilkens said was "acknowledging realities" was read a second time after the House divided, with the HNP /Reformed National Party/ and the CP objecting to the measure.

/12228

CSO: 3400/173

SOUTH AFRICA

BRIEFS

E. CAPE TEAM NAMED--The minister of constitutional development and planning, Mr Chris Heunis, has announced the names of the members of a task team which will concentrate on the development of the eastern Cape. In a statement in Cape Town, Mr Heunis announced the appointment of Prof (C. Waite), dean of faculty of economic sciences at the University of Port Elizabeth, as fulltime project coordinator of the team, to be known as the Eastern Cape Strategic Development Team. The chief executive director of Mr Heunis' department, Dr C.F. Scheepers, is the chairman. Mr Heunis said the team would consist mainly of government concerns which were busy with major development projects in the region. The private sector, however, would have top-level representation on the committee. /Text/ /Johannesburg Domestic Service in English 0500 GMT 26 Jun 86 MB/ 12228

CSO: 3400/173

SOUTH AFRICA

SQUATTER CAMP SPREADING BEHIND COLORED TOWNSHIP

Port Elizabeth WEEKEND POST in English 28 Jun 86 p 6

[Article by Shirley Pressly]

[Text] A squatter settlement is spreading like a cancer on windswept flats behind the established coloured township of Arcadia, near Humansdorp.

Living conditions in the squatter settlement, which is controlled by the Humansdorp Divisional Council, are shocking by western standards.

Some of the people living there cannot afford better accommodations.

But even if they could afford homes in Arcadia, there are apparently none available at the moment for rental.

The shacks which have been constructed there are a barometer of the worldly wealth of their owners.

Some have built sturdy wooden shacks with interior walls to partition living and sleeping areas from the "kitchen".

Others are Heath Robinson structures which look as if they will collapse like a pack of cards in the first strong wind.

The site for the squatter camp is on high-lying flats which are buffeted by the chilly winter winds which howl around the shacks at night.

Old-timers say that in years gone by people lived there but then moved to the lower-lying Arcadia because of the high water table and underground streams from the foundations which "bubbled up" during heavy rains on the flats.

Some of the shacks do not have flooring and have earth floors which become sodden during heavy rains.

The squatters pay a monthly rental of R13,60 which is broken down into R10 for the site and the balance for "services" which comprise twice weekly nightsoil removal and one water tap to serve the whole settlement.

Mr Johannes Stuurman, manager of the Kruisfontein Development Project, said he had written a letter objecting to the establishment of the squatter camp. Objections had also been made by the Kruisfontein Ratepayers Association.

"But when we looked again the camp was there," said Mr Stuurman.

He said they wanted the authorities to get a move on with the provision of serviced sites on which people could build their own homes or ready-built houses in a housing scheme.

THE WEEKEND POST spoke to some of the squatters. Mrs Marilyn Baardman and her husband, Piet, and three-year-old son live in one of the more luxurious shacks in the settlement.

Mr Baardman is a driver for a garage in Humansdorp.

Mrs Baardman has decorated her well-furnished home cosily and says she is "quite happy" living there but would prefer a "proper" house, but there are none available.

Mrs Jeanette Swartbooi lives in another shack with her husband, Daniel, who works as a labourer for the municipality and their 11-year-old daughter.

They used to board with a family in Arcadia where they paid R50 a month just for a roof over their head.

Mrs Margaret Jantjies, lives in a shack which measures three metres by two metres with her epileptic 20-year-old son, who is the family breadwinner, and three smaller children.

Mrs Jantjies is a single parent. Her epileptic son earns R4 a day in the Government scheme to assist the unemployed.

They did not have the materials to build themselves a toilet and Mrs Jantjies says she has not yet been issued with a sanitary bucket.

Their toilet is the bush.

Mrs Jantjies said the family battles to pay the monthly rental for the site of R13,60.

Mr Tyrone Liberty, treasurer of the Kruisfontein Ratepayers Association, said the Divisional Council had previously announced that erven would be made available for people to build their own homes.

Mr Liberty said the mood among the community was becoming angry because, apart from tarring a few kilometres of road, nothing seemed to be happening.

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CSO: 3400/249

SOUTH AFRICA

BOOKS TO BOOST YOUNG BLACK ADULT EDUCATION

Johannesburg THE STAR in English 30 Jun 86 p 9

[Article by Kate McKinnell]

[Text] An environment where books are freely available and reading is a way of life is the ideal of Promat (Project Matric) colleges for young blacks.

Promat, a project to upgrade education levels among black adults, has two colleges in the Transvaal. A third is planned.

Project's founder and director Mr Larry Robertson was presented with a collection of donated books recently by Dawn Lindberg.

Mrs Lindberg is vice-president of the Highveld Soroptimists Club, an organisation of women at the top of their fields, which has adopted Promat as a project.

Libraries are now being compiled at the Promat colleges, which take black students over the age of 18 and, in an intensive one-year curric-

ulum, prepare them to write matric.

"A worrying proportion of black teachers are underqualified," said Mr Robertson.

"A specific target is to upgrade the education of black schoolteachers, many of whom have only passed Std 8."

About 300 students pass through Promat colleges every year, with a pass rate of 72 percent.

The books handed over had been donated by two publishing companies, Collins and Hodder and Stoughton, and cover a spectrum from dictionaries and Shakespeare's works to ordinary novels.

"We hope to gather books from individuals too. Anyone emigrating or springcleaning who would like to donate their collections should contact me," said Mrs Lindberg. Mrs Lindberg may be reached at (011) 648-2392.

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CSO: 3400/249

SOUTH AFRICA

BRIEFS

MAMELODI RESIDENTS GET ULTIMATUM--Mamelodi residents have been given the ultimatum--pay up or else. The Pretoria township residents who have not paid rent for the past seven months, have received letters from Mamelodi Town Council lawyers demanding they pay up within several days. Failure to settle the debt, according to the council, will result in legal action against residents. A specimen letter received by residents read in part: "If you wish to make an offer of settlement and/or propose payments, complete the rest of the letter and return the whole of it to us. This will greatly limit the costs recoverable." The council is said to be losing millions of rands as a result of the boycott. Some residents have said they have not responded while others have sought legal advice. The rent boycott in the township began in December last year when several people were shot dead and others seriously injured after police fired on a crowd of about 30 000 residents. The crowd were marching in protest against rent increases and to demand the resignation of the town councillors. [Text] [Johannesburg THE NEW NATION in English 19 Jun-2 Jul 86 p 5] /13104

KUNI COMMUNITY SAVED FROM RESETTLEMENT--The people of Kuni have been saved. The threat of further resettlement for the Kuni community in the Eastern Cape--who were expelled from Ciskei--was averted when the Supreme Court last week threw out an application by a group of farmers to have the people removed. National and international attention has been focused on the 8 000-strong community when Ciskei trucks arrived one morning in January, loaded up residents and their possessions and dumped the entire village next to the road, just across the Ciskei 'border'. Ciskei authorities justified the move by saying residents of Kuni had been spreading instability in the area. South African officials--for once on the receiving end of a resettlement problem--prepared a temporary site on Needs camp, a farm belonging to the South African development trust. However, white farmers in the area complained about their new neighbours, accusing them of being the cause of an increase in stock theft in the area--a charge the residents have denied. The farmers, through their East London Western Districts Farmers' Association, brought a Supreme Court action to force the government to move the people elsewhere. The farmers won an interim interdict, but on the return date last week, Justice Kroon ruled against the farmers. The farmers accordingly had to "suffer the nuisance." [Text] [Johannesburg THE NEW NATION in English 19 Jun-2 Jul 86 p 5] /13104

UDF, COSATU DENY PAMPHLETS--Pamphlets promising East Rand residents payment for staying away from work have been disowned by the UDF and Cosatu. The pamphlets were distributed in Tembisa and other East Rand townships last week, promising residents that they would be paid between R10 and R50 a day if they stayed away from work. The pamphlets claimed that those who stayed away could go to any UDF or Cosatu office to claim the money if they stayed away from work on June 16. Where there are no UDF or Cosatu offices, the documents said, any civil residents association would do the pay out between 10 and 11 am. The document read in part: "The executive of UDF and Cosatu are concerned about our people and have reached consensus at National level to pay all comrades who celebrate Soweto Day and who stay away from work without pay from their employers." The Benoni printers, whose name is given in the pamphlet as the printers of the document, denied printing it. "We know nothing about the pamphlet and we did not print it," said their spokesman. [Text] [Johannesburg THE NEW NATION in English 19 Jun-2 Jul 86 p 3] /13104

CSO: 3400/249

SOUTH AFRICA

GOVERNMENT URGED TO CLEAR ITS NAME IN CROSSROADS ISSUE

Johannesburg THE STAR in English 17 June 86 p 6

[Commentary by Hermann Giliomee]

[Text]

HISTORY," says one of James Joyce's characters, "is a nightmare from which I am trying to awake." Will there ever be a time when we in SA can call our history closed and awake to a normal, pleasant life?

There seems little prospect of that. Indeed, the horrors seem to multiply, if we consider the devastation of sections of the squatter camps of Crossroads and KTC near Cape Town.

What has happened in Cape Town boggles the imagination. Some 50 000 squatters have been left homeless as a result of so-called faction fights in which vigilantes called "witdoeke" (or "fathers") expelled "comrades" from sections of Crossroads and KTC and along with them thousands of people who simply happened to live there.

But this is only the beginning of the nightmare. There are widespread allegations that a section of the police force, perhaps a "dirty tricks" squad, actively organised the "witdoeke" and assisted them in the fighting, even to the point of using police vans and Casspirs to escort them.

The rest of the security forces are alleged to have done nothing effective to prevent the fighting or stop the arsonists who burnt down thousands of shacks.

Despite these allegations backed up by affidavits, government has rejected calls for a com-

mission of inquiry by various organisations, including the respected Urban Foundation.

On top of it all, it has declared that persons expelled from Crossroads in the fighting will not be allowed to return but must be settled in Khayelitsha.

This is a development of the greatest consequences for government, with its new "positive urbanisation" strategy, and for the country as a whole.

Let there be no illusions: what happened at Crossroads and KTC will be repeated in other parts of SA unless the trends which have manifested themselves in Cape Town's squatter areas can be arrested.

The very first impression that must be corrected is that government is prepared to sanction violence or the results of violence to achieve its ends.

This impression is certainly created by government's insistence that expelled people may not return and that upgrading in Crossroads be confined to the "victors" who managed to defeat the "comrades".

A memorandum written by Colin Appleton, Western Cape director of the Urban Foundation, admirably sums up the widespread concern:

"The Foundation finds it unacceptable that the upgrading be confined only to the 'victors,' thus giving formal recognition that murder, arson and physical violence pay dividends. This sets a dangerous precedent for the settling of disputes in what will inevi-

tably be a growing number of informal settlements in urban areas."

The second impression that must be corrected is that there is a section in the police which is not out of control but is in fact deliberately used to exploit factional divisions within the black community to achieve short-term government ends.

That some people in government should be backing such a strategy is not surprising. Divide and rule is one of the oldest political strategies in history and it has often been quite effective — from the point of view of the ruling minority.

Leaving the issue of morality aside, we must ask whether the kinds of methods allegedly used in Crossroads and KTC can ever achieve any stability.

As usually happens, ideological differences greatly inflame the whole issue. The "witdoeke" of Crossroads are supposed to have some Azapo connections while the "comrades" are affiliated to the UDF.

Again, the Urban Foundation sounds a wise word of warning. In his memorandum, Appleton writes:

"The decision to recognise an Azapo 'victory' will not be taken lying down by the strong UDF support in the existing townships, particularly amongst the youth.

"Already attempts are being made to rally support to drive the Ngxobongwana faction (the 'witdoeke') out of Crossroads. The decision not to allow persons driven out in the latest violence to return will purely spread the violence and will not reduce it."

In general, government needs to allay the widespread fears that it is prepared to use virtually any methods to achieve its objective, regardless of the longer-term political considerations.

In Cape Town people in the "moderate middle" are saying without qualification that government has used violence to clear sections of Crossroads "which it had always intended to do".

The new security Bills will give even wider powers to the police than it currently enjoys. It will

force us to rely on the police version for what happens in "unrest areas".

The courts will probably be eliminated in cases concerning security. In the handling of unrest situations it will bring SA much closer to a barely qualified dictatorship.

The allegations of police complicity in the fighting at Crossroads and KTC are so disquieting that one is compelled to urge government to heed the lessons of Argentina's "dirty war" in the late Seventies.

There the extreme Right-wing of the Peronist movement, organised in the sinister Alianza Anticomunista Argentina and heavily leaning on police and military personnel, embarked on a campaign of intimidation and terror.

Though the military rulers of Argentina did their best to keep the whole operation secret, aided by a fearful population which simply did not want to admit that it knew, the story leaked out.

The recent report of Argentina's National Commission to Disappeared People, entitled "Nunca Más" ("Never Again") and published by Faber, states:

"Great catastrophes are always instructive. The tragedy which began with the military dictatorship in March 1976 will undoubtedly serve to help us understand that it is only democracy which can save a people from horror on this scale, only democracy which can keep and safeguard the essential rights of man.

"Only with democracy will we be certain that 'Never Again' will events such as these, which have made Argentina so sadly infamous throughout the world, be repeated in our nation."

The catastrophe in Crossroads and KTC is bad enough in itself to demand a commission of inquiry.

If government and security forces have clean hands in this sordid affair, they should have no difficulty in acceding to such a request.

If government continues to reject such calls, bodies with standing in the community — such as the Cape Town City Council and the Urban Foundation — should consider holding unofficial public hearings.

Our name and the political future of all of us are at stake.

SOUTH AFRICA

NATION'S REACTION TO U.S. POLICY CRITICIZED

Johannesburg THE STAR in English 20 Jun 86 p 10

[Commentary by Neil Lurssen of THE STAR's Washington Bureau]

[Text]

South Africa's angry reaction to recent public statements by senior American officials displays a lack of appreciation of the difficulties facing the US Administration in trying to defend its maligned policy of constructive engagement.

At considerable political cost to themselves, Reagan officials are determined to help South Africa wake up from its racial nightmare. They want to stay involved and use constructively whatever leverage they have in the divided country.

But the only way they can persuade their fellow Americans that this is the wise course, is to make it clear they see apartheid as a horrible and ultimately doomed system.

Anything less than that would be unacceptable in the US where civil rights, human dignity and the sanctity of the courts have come to be regarded — after a long, bitter and violent struggle — as inviolable.

Thus the language used by American officials to describe their feelings about apartheid and the methods used to maintain it is tough and uncompromising.

This is how the Secretary of State, Mr George Shultz, put it at a Washington gathering of church leaders: "An immoral system does not serve our interests; it offends our moral principles and we must continue to seek to end it."

In the past, the South African Government tended to be pragmatic about US verbal assaults on SA race laws, seeing them as part of the international political game. But, recently, there have been signs of acute sensitivity in Pretoria. Washington has been getting under its skin.

An informed source in the Reagan Administration said this week: "The recent tenor of diplomatic exchanges from the South African side has been very sharp."

It is understood that the SA Government was especially distressed by what the Secretary of State said to the churchmen. A letter was sent which, reportedly, held out the possibility of a break in relations should this sort of thing continue.

United States and South African officials here were reluctant this week to discuss the specific contents of the letter on the grounds that diplomatic exchanges are confidential, but one major television network quoted from the letter — and its news report was not denied.

The SA Government obviously read the Shultz speech in full. He did say things not

calculated to please Pretoria — such as calling alleged abuse of children and torture of detainees by policemen and prison interrogators an "outrage".

But he also termed as an outrage the obscene necklace killings and the murder of blacks by black radicals.

And he went on to explain in detail why the Reagan Administration was not willing to impose further economic sanctions on South Africa, why it did not want to destroy the SA economy, and why the SA Government deserved some credit for implementing change in difficult circumstances.

He said: "Our aim is not — I repeat not — to inflict random, indiscriminate damage on the South African people and their economy from abroad."

The fact is that Mr Shultz would not have been able to make a speech stating his intention to stay engaged in South Africa without also making it clear that he considered apartheid horrible — which is the universal attitude in the US apart from an insignificant handful of right-wing extremists who fancy the idea of white superiority.

Had he simply said: "We are against sanctions against South Africa because it is an important country where we get many of our minerals and what the SA Government

does internally is its own business", constructive engagement would have had rigor mortis by now.

What is puzzling is that the South African Government is getting aggressive with the US in private despatches. Had it attacked Reagan officials in public, this would have been understandable in terms of the Botha Government's domestic political needs.

The US is one of South Africa's best friends. It is not walking away during a time of difficulty but is trying to be helpful. It is holding international sanctions at bay as best it can.

In return for this, Reagan officials are being castigated in the US as racist and stupid, and attacked abroad as fascist. When thousands demonstrate against apartheid in the US, their target is also the Reagan Administration.

This must be distressing to a President whose dream it has been to bring his fellow Americans together.

To a large extent, President Reagan has succeeded in uniting America, but on the issue of South Africa he is increasingly isolated.

Thus he will continue to slam South Africa's race policies and Pretoria's attempts to mute that criticism will fail.

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CSO: 3400/83

SOUTH AFRICA

NATION'S INTERNATIONAL ISOLATION UNDERSCORED

Johannesburg THE STAR in English 20 Jun 86 p 10

[Commentary by Dr Van Zyl Slabbert, in My View Column]

[Text]

Sometimes it helps to step back in order to get a better view or perspective on a situation. I have just returned after six weeks' absence from South Africa, having visited New York, Paris, London, Rome and Dakar.

During that time I spoke to businessmen, academics and journalists about how the South African Government raided Zimbabwe, Zambia and Botswana. The EPG decided that its mission was no longer worth pursuing and the Government announced a state of emergency.

These events all enjoyed front-page coverage and columns of analysis in the newspapers of all the cities that I had gone to.

It felt strange to sit at a boulevard cafe and read about these developments in South Africa and not be there. But it also helped one to form, perhaps, a more dispassionate perspective of what was going on in one's own country.

Some general observations. The good times are never going to come back to the old South Africa, they are gone for ever. In other words, we are not going to stabilise or normalise the situation and simply carry on as before.

Also, it is quite clear that the Government has lost the political initiative. Obviously, it is in control from a security and military point of view, but this precisely underlines the failure of its political initiatives.

Sanctions of some kind or the other are absolutely inevitable.

I was struck by the fact that the Government really has no awareness of the depth of its rejection in the in-

ternational community, and how isolated it really is.

It also became clear to me that mass mobilisation has never been greater. In other words, never before has South Africa's black population been mobilised to the same extent in pursuit of a common objective as it is at present.

That objective can be put quite simply, FREEDOM. One may scoff at this, make cynical comments about the futility of pursuing freedom, but if one listens carefully to black spokesmen, the message is quite simple.

As one black spokesman put it to me in New York, whites are concerned with survival and therefore they are not prepared to die. Blacks want their freedom, and they are willing to die for it.

The Government's response to the black demand for freedom has been to emphasise stability; the need to normalise the situation in order to bring about reform. And thus we have a curious paradox — the divergence between the values of freedom and stability.

In any normal society, these two would be intimately linked, the individual's freedom would be the source of stability for society. But in our situation, the Government's emphasis on stability is seen as a threat to black freedom.

Consequently, the only way in which the Government can resolve this paradox, is to extend coercive control, and this is how we have to understand the state of emergency.

The emergency also makes it quite clear that the Government has decid-

ed for the "siege option". It has said so quite blatantly. It is prepared to go it alone; it is not going to crawl before anybody; it is prepared to fight for its survival at all costs.

Politically, this means that the Government has no intention whatsoever of negotiating a new constitution in which its own position of dominance and control will disappear.

The only political strategy apart from brutal white repression (which is going to become increasingly difficult logistically) is co-optive domination.

More and more the Government is likely to seek ways of co-opting blacks, coloureds and Indians into a new system of government in which it can maintain control.

It would, therefore, not be surprising if the Government increasingly by-passes the normal institutions of government such as Parliament and tries to create new institutions which would give the appearance of a government of national unity.

The Government might even suspend the Constitution, if not formally, then in a de facto sense, and set up an emergency government in which it will invite blacks, coloureds and Indians to join it in trying to maintain stability.

This form of co-optive domination may even stabilise the situation for five to 10 years, but eventually the outcome is inevitable.

We got to Heathrow Airport early in the morning, having taken a connecting flight from Dakar. We tried to book in but found that the SAA check-in counter was closed and would only open at 2 pm. It was sharing it with British Airways.

I remember the days when we had seven or eight counters of our own at Heathrow. That night, we flew back in our half empty plane to South Africa and I kept thinking to myself about that old cliché, — it is always darkest before dawn. Our darkness had begun, and I was not quite sure when the dawn would come and who would be there to see it.

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CSO: 3400/83

SOUTH AFRICA

BROEDERBOND'S INFLUENCE IN NATION'S EDUCATION EXPLORED

Johannesburg THE NEW NATION in English 19 Jun-2 Jul 86 p 7

[Text] FOR MANY dark years before black students rose up against the instruction of Afrikaans in schools the Broederbond -- the secret Afrikaans society -- had secretly infiltrated the major power seats of learning.

Today education in South Africa suffers a painful hangover from the Broeders' immense influence which reached a peak during the 1976 student revolt. Ironically the minister responsible for education at the time -- M C Botha -- was the very same man who led the all too similar Broeder protests of 1943.

Broerder minister

Even the current minister in charge of black education, Gerrit Viljoen, former rector of the Rand Afrikaans University, was also Broederbond chairman for many years. His successor as Broederbond chairman was Professor Jan Pieter de Lange, who is also chairman of the Human Sciences Research Council Committee on Education and author of the 1983 De Lange Commission on education.

De Lange is not only one of the most important and powerful Afrikaners in the country, but probably the most influential educationist in the land.

As head of the Broederbond -- the all powerful Afrikaner nationalist think-tank and cultural body -- his views provide an interesting insight into top-level Afrikaner opinion.

The Broederbond aim, he says, is to "promote the broad interests of South Africa and within that to protect the Afrikaner interests." The Bond, which is only open to carefully selected and invited Afrikaans men has about 15 000 members.

About 10 percent of the membership defected to the far-right in 1983 when the previous Broederbond chairman, Carel Boshoff (son-in-law of Hendrik Verwoerd) resigned to form the far-right Afrikaner Volkswag.

According to de Lange 30 percent of the white members of parliament are Broederbond members and he says, he can't recall how many Cabinet members belong to the Bond -- "but not all do." However it is sufficient to note that every Nationalist prime minister or president for 38 years has been a Broeder.

Professor de Lange says the "time for change has to be protected in two ways: the promotion of the economic life of South Africa - because change is going to cost a lot of money. As an example, FW de Klerk, Minister of National Education, stated that in the next 10 years another four billion rand -- 67 percent -- has to be added to the national budget for education to promote equal opportunity.

However, the Broederbond emphasis on education as a tool for the preservation of the Afrikaner volk and a reformed neo-apartheid structure, is little changed.

Both Viljoen and De Lange have emphasised that integration at school level is a non-negotiable

SOUTH AFRICA

JOB RESERVATION RESTRUCTURING ALONG CITIZENSHIP LINES REVEALED

Johannesburg THE NEW NATION in English 19 Jun-2 Jul 86 p 15

[Text]

ATTEMPTS to scrap job reservation on mines has taken a new turn.

Yet another dimension to the thorny problem of racial exclusivity in certain jobs has come to the fore -- that is reserving jobs along citizenship rather than racial lines.

There is growing speculation that the government has proposed amendments to racial legislation, which currently reserves jobs for whites on mines, along "citizenship" lines.

Although the right wing Mine Workers Union (MWU) will neither confirm nor deny the restructuring of the legislation along citizenship lines, it cautions that such a proposal should not be viewed out of context. This distorted its intended function in any amended legislation.

Responding to the question of selective citizenship in issuing blasting certificates Mineral and Energy Affairs spokesperson said there were more important issues at the centre of the job reservation debate.

It is expected that only 15 percent of the black labour force on SA mines will be eligible for blasting certificates in terms of the amended scheduled persons clause in the Mines and Works Act.

The 15 percent calculation is based on the Conservative Party (CP) definition of SA citizenship.

The remaining 85 percent, made up of migrants in terms of apartheid legislation, regarded as "guest workers" in right wing circles, could be barred from jobs traditionally reserved for white miners.

But not if the CP has its way. One of its MP's points out that by giving certificates to only 15 percent of the workers coming from "our black population" the government will encourage friction between them and their colleagues.

It should therefore retain current legislation which makes it criminal for blacks to perform underground blasting operations.

Blasting certificates for only 15 percent of the black workforce will suit white miners mainly because the threat to their jobs will be reduced to a minimum.

This is in line with the MWU demands that it have a greater say in ensuring management does not overtrain and flood the skilled job market thus reducing the white miner's bargaining strength.

Division of the black workforce through job categorisation will suit those mine bosses who have opted to divide union membership and smash structures necessary for successful worker struggles.

But the right wing is not satisfied with half measures. For "fear of causing friction" between certificate-holding black miners and migrants, the government should retain legislation as it is, they argue.

Its attitude is summed up in another comment: "What does the government of this country owe them (migrant workers) that it

should give them blasting certificates?" asked the CP MP for Koedoespoort, F van Staden.

Van Staden recently urged a speedy solution to the trap the government finds itself in saying "white miners, who were implacably opposed to the move, could not continue in uncertainty over the government's intentions".

"Up to now things have gone very well in the mining industry without this change. Why should things be disturbed?"

"The government should continue to maintain the status quo and protect white miners in their own land," the

CP says.

However, the central issue in the talks remains the question of security of employment for white miners if legislation protecting them is removed.

And unless the Chamber of Mines and the right wing Mine Workers Union, led by pig farmer Arie Paulus, agree on an industrial council structure which will protect white miners jobs, little progress will be possible.

Theuns Burger, Deputy Director General of the Department of Mineral and Energy Affairs says, however, that the amendments will be legislated during the second half of this parliamentary session which begins in August.

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CSO: 3400/245

SOUTH AFRICA

UNIVERSITY OF PRETORIA ISS FIGURES REVEAL COST OF UNREST

Johannesburg THE NEW NATION in English 19 Jun-2 Jul 86 p 5

[Text] POLITICAL unrest between September 1984 and May 1986 has caused damages of about R156-million, according to statistics from the Institute for Strategic Studies at the University of Pretoria.

Referring to the effects of the unrest on the economy of South Africa, the university's bulletin cites damages to public and private property, consumer boycotts, disruption and loss of production owing to stayaways, as the main contributing factors to the losses.

According to political observers, the amount may even reach R200-million if the South African government does not immediately introduce concrete reforms that will satisfy all race groups.

The unrest cost the Putco Bus company more than R20-million between September 1984 and September 1985. A loss of R16-million rand was caused by a reduction in passengers, while the other R5-million was due to damage to buses.

Since 1984 a total of 170 Putco bus drivers have either been injured or killed. This resulted

in the suspension of services for short periods in Soweto and the East Rand townships.

This, the bulletin says, posed questions relating to increased fares and the long-term viability of investment in public transport.

The report also stated that boycotts of white-owned businesses forced many of them to fold.

The bulletin further revealed that by February 1986, claims for loss of vehicles and property had amounted to R65-million.

The bulletin also pointed out that "everywhere in the Third World, political reform goes hand in hand with unrest."

It further stated that reform creates rising expectations among those who want revolution rather than reform. And that, hopefully, credible and meaningful reform, coupled with economic recovery, will lessen the potential for revolution and unrest.

"In the interim, the maintenance of law and order within certain limits is crucial and should continue," it stated.

SOUTH AFRICA

BRIEFS

CLOWU BATTLES GWU CONTROL--The Clothing Workers Union (Clowu) is preparing its first major blow against the conservative Garment Workers Union (GWU), affiliated to the Trade Union Council of South Africa (Tucsa). In a move which could break the stranglehold of the GWU on the Western Cape clothing industry, Clowu is preparing to sign a recognition agreement at Cape Underwear Manufacturers. Through its closed shop agreement, the GWU has for years represented the Western Cape's almost 60 000 clothing workers, mostly women. Clowu last week signed an interim agreement with the Cape Underwear Management allowing the union reasonable access to the workers and the right to collect subscriptions from their members at the factory. The agreement came after three days of negotiations, with Hilton Cheadle of the Centre for Applied Legal Studies at the University of the Witwatersrand as a mediator. Talks between management and the union broke down two weeks ago when three union members at the factory were suspended for addressing the workers during their lunch break without the permission of management. The three workers were suspended for three months but will not lose any of their benefits, according to the agreement. A poll to test whether Clowu had majority support at the factory would have been held last Friday but was postponed due to the detention of Clowu General Secretary Elizabeth Erasmus on Thursday under Section 50 of the Internal Security Act. [Text] [Johannesburg THE NEW NATION in English 19 Jun-2 Jul 86 p 16] /13104

CENTRAL PRETORIA DEVELOPMENT PLAN--An ambitious draft plan has been announced for the redevelopment of the "city core" of Pretoria at a cost of up to R500 million. The management committee member responsible for town planning and architecture, Mr Cor Uys, announced yesterday that the proposals would be tabled for approval at the monthly city council meeting on Monday. The deputy director of town planning and architecture, Mr Fritz Kraehmer, said the proposals comprised the redevelopment of the area bounded by Prinsloo, Bosman, Pretorius and Vermeulen streets. The city council wanted to enter into partnership with the private sector in developing the scheme. A small amphitheatre would be placed on the south side of Church Square. The Paul Kruger statue would be moved to near the entrance to the Ou Raadsaal and a fountain would become the centrepiece. Buses would be banned from Church Square. [Text] [Johannesburg THE STAR in English 26 Jun 86 p 21] /9317

SACC ON EXILES--More than 250 000 South Africans are living as exiles in neighbouring territories and further afield, the director of the South African Council of Churches (SACC) refugee ministry has said. During

1985/86, the refugee division was inundated with requests to assist potential refugees to leave South Africa because of the escalating unrest, the Rev Sol Jacob said in a report presented to the SACC national conference in Bosmont. "Until the South African Government dismantles apartheid and its structures of injustice that make South Africa a refugee-producing country and declares unconditional amnesty to all South African refugees and exiles, the movement of refugees from South Africa to neighbouring territories and further afield will continue unabated," Mr Jacob said. The SACC member churches agreed that people should not be encouraged to leave the country. "However, the division notes that large numbers are still leaving South Africa daily in search of refuge in neighbouring countries and further afield," he said. For the SACC to carry out a relevant ministry to exiles, it was felt that there was a need to maintain dialogue with the liberation movements, as most refugees joined one of these organisations. "Without good relations with these liberation movements, the church will be stifled in its mission to serve the refugees in their places of refuge," Mr Jacob said. The matter had been referred to the SACC executive for guidance and direction, since it had serious legal and ecclesiastical implications. Most of the exiles left behind dependants and young families without provision for their needs. [Text] [Johannesburg THE STAR in English 25 Jun 86 p 3] /9317

/CSO: 3400/160

SOUTH AFRICA

FINANCE MINISTER COMMENTS ON TAX CHANGES

MB251037 Johannesburg SAPA in English 0953 GMT 25 Jun 86

/Text/ House of Assembly, 25 Jun SAPA--It was a fundamental characteristic of every civilised country that a redistribution of wealth took place through its tax system, the minister of finance, Mr Barend du Plessis, said today.

Replying to debate on the Regional Services Councils amendment bill, he said this principle was in agreement with South Africa's own tax system.

The government's sensitivity in this regard was that it did not believe that money should be labelled as "white" or "black."

As long as there was a substantial difference between the "haves" and the "have-nots," there would be tension.

This would only be exacerbated if money was given racial labels.

The entire concept of the original act and the amendment before the House could be summed up in the word "redistribution."

It was "extremely complicated" legislation and it was therefore not strange that it had taken so long to be implemented.

The standing committee had had to consider about 80 amendments to the original act.

If bodies such as organised industry and commerce took a stand in principle against the bill they did not leave themselves the opportunity to assist in rounding it off neatly.

It was not fair for Assocom to say it had not been given an opportunity to do this.

Mr du Plessis said there had to be redistribution both within particular regions and also between regions.

He was concerned about what the quality of life in the PWV area would be like 20 or 30 years from now.

Water might become so expensive that people would no longer be able to afford the pleasure of their own gardens.

Up to now, the government's policy had been to use the "carrot" approach, to try to lure development to underdeveloped areas.

Now, however, it would have to penalise development in the metropolises and make it unattractive.

If the PWV was to pay for its basic services on the basis of user charging, there would have to be a very large increase in the cost of those services.

It was basically unfair that "tant Sannie in Koekenaap" should have to pay for the train ticket of a commuter in the PWV area. It was also unfair that the burden of overconcentration should be spread over the whole country.

The regional services legislation was not primarily an income generating exercise. The concept of redistribution between regions was a "basic important point."

Earlier, Mr Daan van der Merwe (CP Rissik) said he had no problem in principle with white peoples money being given to other population groups as aid.

But to do this in the present financial circumstances was a threat to the continued existence of whites.

In addition, this money was being pumped into a political dispensation that would eventually lead to the collapse of the white nation.

Mr Wynand Malan (NP Randburg) said it was not true that the regional levies would place a tremendous burden on employers.

The payroll tax was only 1.25 percent of total salaries. This meant only 25 cents in taxes on every R100 paid to employees.

He could not accept that this would have any appreciable impact on the activities of an employer.

The deputy minister of information, Mr Louis Nel, had said that one of the conditions on which the state of emergency would be lifted was that the local authority system would have to be functioning effectively.

The bill created the opportunity for the rapid development of black areas, the creation of infrastructure and for upgrading.

There was a duty to support the government attempt to achieve this.

Mr Malan said he would be "tremendously glad" if the UDF took part in the RSCs.

The NP's aim was to draw everyone into the democratic system.

"We are talking about participation in the constitutional process in a peaceful manner, with a rejection of violence."

29 July 1986

SOUTH AFRICA

ARMSCOR GENERAL MANAGER DISCUSSES SANCTIONS

Johannesburg THE STAR in English 24 Jun 86 p 13

[Text]

Economic sanctions against South Africa will not be the end of the world, but rather "the beginning of life".

This is the view of Mr Fred Bell, executive general manager of Armscor, who leaves the corporation at the end of this month to take up a new, as yet still classified, position.

"The only way to break out of sanctions is when they are applied. Before that it is very difficult to decide what to do," he said in an interview.

He said that prior to the arms embargo, South Africa had a "supermarket buying" policy.

SUBMARINES

He pointed to the fact that among the arms "lost" when the United Nations resolution was passed was a French contract to supply corvettes and submarines. But now, nearly 10 years later, South Africa was

still surviving even without the submarines.

When the embargo was imposed they decided what they really needed in the weapons field and made plans to get it, or build it themselves, he said.

If the SADF needed submarines they would get them.

While the G5 gun was an impressive achievement, its triumph lay rather in the production than the technological field.

"Look at that," he said pointing to a miniature of the Boer War Long Tom gun in his office. "It has a 155 mm calibre and had a range of 12 km. What is so different about the G5? It is the same basic product, but the result of the latest production technology."

Mr Bell regards breakthroughs such as beating the military computer boycott as more important. If it could be broken, he said, South Africa could beat any sanctions.

/9317

CSO: 3400/161

SOUTH AFRICA

EXPERTS SAY ECONOMY FACING 'CONFIDENCE CRISIS'

Johannesburg THE CITIZEN in English 26 Jun 86 p 26

[Article by Daan de Kock]

[Text]

ALTHOUGH the inflation rate is in a cyclical downturn and could reach between 14 percent and 16 percent before the year end, the long term trend is still upwards and it would not surprise if it reaches 20 to 25 percent in 1987/88 if South Africa does not deal with it effectively.

This was said yesterday by Professor Geert de Wet, Department of Economics at Rand Afrikaans University.

Speaking at a Assocom seminar to evaluate the business outlook once the economic "package" comes into operation he agrees with the other participants that what we need now more than ever, in business confidence, but he said we should not overlook the inflation problem.

He pointed out that inflation was the root of all our economic problems because the authorities tried to deal with it by using monetary policy only and in this way killed the economy.

Prof De Wet said something positive would flow out of the package announced by Minister of Finance Barend du Plessis recently but the effect on the economy would be very small.

"The thing, however, that we need most at the moment is confidence."

If confidence in the economy is not restored we could easily miss the boat because the economic upturn in most of the overseas industrial countries is already showing signs of a decline."

Chief executive of Assocom Raymond Parsons said "the package would certainly have a positive impact on business confidence and although Assocom would have preferred something more bold and imaginative one must expect that there were limits to what the Minister of Finance could do.

"I agree with the widespread opinion that the latest 'package' is unlikely — in itself — to ensure 13 percent growth rate this year. We have simply lost too much ground already and the 'package' does

not do enough to boost consumer confidence."

He said the atmosphere of uncertainty, disillusion and perplexity which caused the low business confidence was incurable.

"If businessmen could be convinced they knew the worst, so to speak, that might hasten matters," he said.

He suggested the following selective points to boost confidence and to facilitate growth:

- A clear economic strategy for South Africa which sets out how the different elements of economic policy fit together how the economy can be expected to perform in years ahead.

- Future measure if the economy does not respond to the package should be concentrated

on tax cuts such as reduction in GST.

- A "quantum leap" on the political side which will make peaceful negotiation of South Africa's political dilemma possible.

Gerhard Croeser, Deputy Director General of Finance, approached the problem on a more positive note.

"We have problems at the moment, but if we keep on being negative we can talk ourselves into an economic and political mire," he said.

He criticised Asso-com's Business Confidence Index as unreliable and suggested South Africa should have a more appropriate index.

This was obviously denied by Mr Parsons.

On the question whether the "package" will stimulate the economy enough, Mr Croeser said the RSA must try to avoid a move from one extreme to another. He suggested that a re-look at the situation when and if necessary.

He also made it clear that it was not the Government's intention to increase the deficit before borrowings to such an extent that it could put pressure on the money and capital markets.

He disagreed with Prof De Wet that one of the biggest priorities at all time should be to fight inflation. He believes the huge unemployment problem at the moment carries a much higher priority than the fight against inflation.

/9317

CSO: 3400/162

SOUTH AFRICA

THOUSANDS OF JOBS CUT IN MAJOR SECTORS

Statistics Reveal 10-Year Decline

Johannesburg THE STAR in English 27 Jun 86 p 4

[Article by Sheryl Raine]

[Text]

More than 291 000 jobs have disappeared in the manufacturing and construction industries in less than 10 years, according to Government figures.

Worst hit were black workers, but no race group has been spared.

In its latest set of employment statistics for these two sectors for June 1976 to December 1985, the Central Statistical Services (CSS) in Pretoria reported that 1982 was the best year and 1978 the worst for manufacturing. For the construction industry, the best year was 1976 and the worst 1985.

Facing tough times

In both sectors, the overall employment situation was worse at the end of 1985 than in 1976. Both sectors still face tough times.

In 1976, the peak for the construction sector, 466 409 people were employed. By the end of 1985, only 302 700 had jobs. A total of 163 709 jobs had disappeared. Most had belonged to blacks (126 359), followed by whites (18 496), coloured people (17 985) and Indians (869).

In manufacturing, at the end of 1976 there were 1 355 000 people employed. By the 1982 peak, the number had grown to 1 454 000.

Three years later 127 400 jobs had disappeared. However, the CSS figures showed the situation at the end of last year was not as bad as in 1978 when only 1 312 000 people were employed in this sector.

Hardest hit in manufacturing were blacks who lost 83 100 jobs from 1982 to 1985. During the same period about 18 300 jobs for whites, 20 500 for coloured people and 5 500 for Indians also disappeared.

Some manufacturing sectors were more deeply affected than others. Significant job losses from 1982 to the end of last year were recorded by:

- Food industry — 9 700 jobs lost.
- Textiles — 13 000.
- Clothing — 6 700.
- Furniture — 2 000.
- Chemicals — 7 800.
- Plastic products — 3 400.
- Basic metals — 12 700.
- Transport equipment — 19 500.

More coloured and black employees have suffered through loss of jobs in the transport equipment sector than other races.

In 1982 there were 55 700 blacks employed in this sector compared with only 46 600 three years later — 9 100 jobs lost. Among whites 3 500 jobs were lost, among coloured people 6 000 and among Indians, 900.

Johannesburg BUSINESS DAY in English 2 Jul 86 p 5

[Article by Gerald Reilly]

[Text] CONSTRUCTION, manufacturing and SA Transport Services have shed almost 220 000 employees during the two years to March.

The Central Statistical Services figures show this drop in these three major sectors.

Mining, electricity and communication sectors, however, had a rise in numbers.

The manufacturing sector employed 1,32-million in March — 77 200 fewer

than in March 1984. Construction, with 300 000 employees, was down 113 600.

In March 1984 Sats employed 240 856 but by this March that had decreased by nearly 20 000 to 221 067.

Mining numbers increased 45 304 to 760 932, while Escom numbers increased by 1 400 to 64 900 and the Post Office pay roll went up by 2 802 to 96 724.

/13104

CSO: 3400/246

SOUTH AFRICA

BATTLE RAGING AMONG ECONOMIC POLICYMAKERS OVER CONTROLS

Johannesburg BUSINESS DAY in English 30 Jun 86 pp 1, 2

[Article by Gerald Prosalendis]

[Text] THE ideological split among SA's economic policy-makers, between free-marketeers and direct controllers has once again burst into the open.

Reserve Bank Governor Gerhard de Kock said last week certain accusations, that market-orientated policy was responsible for depreciation of the rand and low growth, were completely unfounded, or rested on either misunderstandings or fallacies.

The debate has been simmering for some time but it appears De Kock has finally thrown down the gauntlet to the direct controllers, many of them leading businessmen and civil servants, who have been lobbying against his free-market approach, as laid out in the De Kock Commission Report.

De Kock has long been seen as an ardent critic of further controls on financial markets, as he says they would open the way for bureaucratic corruption. And markets, being what they are, would find ways of circumventing any official restrictions.

The battle is, to a degree, one for the ears of Finance Minister Barend du Plessis who startled free-marketeers last week with a threat to penalise economic development in urban areas and to compel investment where government preferred to see it.

Some have interpreted De Kock's speech last week as a swipe at Sanlam chairman Fred du Plessis, who has openly stated he opposes the uncritical application of free market policies in SA.

The debate has reached new intensity over the issue of impending sanctions against SA with some economists and business leaders, who feel SA cannot afford open markets not resilient enough to withstand overseas pressure.

Says one senior economist: "One wonders if De Kock is feeling he has a stronger hand. There was a feeling last year that the free-marketeers were losing ground and perhaps he is consolidating their position.

"His latest statements now throw the game wide open," he adds.

The controllers have been seen to be active in recent months and among their latest moves have been:

- ☐ Lobbying for tighter control on financial markets at Cabinet level;
- ☐ Suggestions by some senior officials that institutional investors be coerced into investing in high-risk, low-return ventures to create jobs;
- ☐ Recent suggestions that the introduction of a unitary floating rand had been responsible for the dramatic depreciation of the currency;
- ☐ Recent hints by monetary authorities that they may clampdown on banks thought to be speculating against the rand by holding dollar positions overnight; and
- ☐ Widespread attempts to prevent pending building society legislation — allowing societies to become joint stock companies and floating themselves on the JSE — being passed into law.

"Up to now, government has rejected Fred du Plessis' arguments, but by *force majeure* we might just end up with a siege economy.

"As long as government thinks this is an option, it will affect their other decisions," says a source.

In many ways the debate has centered around the plummet in the rand from roughly \$0.90 in 1983 to its record low of \$0.35 late last year. The direct controllers ascribe the currency's present weakness as largely due to free market policies.

Late last year suggestions were put forward, and supported by three large

commercial banks, to fetter the foreign exchange market in an attempt to support the rand.

"It was paradoxical some banks should have been involved in this effort. The document was an open invitation for bureaucrats to descend on the banks and inspect their books," says one senior banker.

But De Kock said last week: "They (direct controllers) present statistical series to indicate SA's growth performance has been substantially weaker since the mid-Seventies than in the Sixties, that the rate of inflation increased and the rand depreciated.

"And they then imply because this happened after government made more use of market-orientated policy, the events occurred because this market-orientated policy was adopted.

"A further implication is that had we relied instead on direct bureaucratic control measures, these unfavourable developments would either not have taken place or not to the same extent."

Says another source: "People who tell government direct controls will solve our problems are giving unsound advice. And this leads people in power not to find urgent solutions for our political and social problems.

"This siren call is attractive, but it is dangerous and could lead the country onto the rocks."

/13104

CSO: 3400/241

SOUTH AFRICA

BUILDING SOCIETIES CONCERNED WITH BLACK HOME FINANCING

Johannesburg BUSINESS DAY in English 20 Jun 86 p 5

[Article by Arnold Van Huyssteen]

[Text]

BUILDING societies are taking special social circumstances of potential black loan applicants into consideration.

The SA Permanent Building Society, for one, is drastically restructuring the traditional credit-rating condition that monthly repayments should not exceed 25% of the breadwinner's income and that his income alone determines the granting of bond finance.

These new criteria would only apply to the "Zenzele" wattle-and-daub form of construction that has been devised by the Urban Foundation, as well as to the self-help housing scheme in Katlehong, near Germiston.

"We are devising alternative methods to meet the home-financing needs of SA's population at large," says a spokesman for SA Perm.

SA Perm has also launched the "SA Perm Architecture Design Challenge 1986" which invites all SA universities with architectural faculties to submit designs for affordable black housing units in the price range R15-R20 000, inclusive of the serviced site.

They hope that the innovative ideas received from students would assist in meeting the black housing backlog.

Building societies also eagerly await the promulgation of the new Building Societies Act to see how this would affect alternative financing methods.

Meanwhile, the shortage of serviced land still hampers the expansion of the burgeoning middle-class black housing market.

A spokesman for Bester Properties, responsible for the massive Mitchells Plain coloured housing project in Cape Town, says there is a huge and growing demand for quality housing in most black townships.

"The market is virtually insatiable and houses selling for anything between R30 000 and R40 000 are very popular in some Reef areas. With government sub-

sidies available to many black purchasers, building societies are also more amenable to the granting of bonds," he says.

But many stumbling-blocks still exist.

"Apart from the shortage of serviced land, practical problems like the lack of essential services, 'competition' between the public and private sectors and confusion between freehold and leasehold property rights also complicate the situation," adds the spokesman.

Although government last month allocated R328m for the provision of serviced land for black urban housing development, the shortage of land — both serviced and "raw" — is crucial.

"At Pimville, Soweto about 700 to 800 erven are now being developed in the so-called 'buffer zone', as no other land is available. Houses are being built for sale in the R30 000-R40 000 range, while at Protea North hundreds of houses are being developed on erven that sold for up to R8 000," he says.

The Bester spokesman says although government's assistance with informal housing is to be welcomed, the provision of "site-and-service" property, together with loans of up to R3 500 to black buyers to build their own homes could lead to squatting conditions.

He says "unfair competition" could exist if the State is allowed to provide "subsidised" housing against which the private sector would not be able to compete.

A further practical problem is that the registration of leasehold properties or bonds thereon can take "months". The choice that now exists between leasehold and freehold properties for black housing also complicates the situation, he says.

But there is no doubt in his mind that "massive goodwill and positive attitudes" would be generated by the launching of new housing projects for blacks.

SOUTH AFRICA

JOHANNESBURG BUILDING SLUMPS 64 PERCENT

Johannesburg THE STAR in English 24 Jun 86 p 18

[Article by Frank Jeans]

[Text]

The value of building work started in the Johannesburg area last month slumped to only R9,6 million — 64 percent down on the R25,2 million for the fifth month last year.

Comparative figures from the Planning Department of the Johannesburg Council for work being carried out is little better, with a 23 percent plunge (R782 million to R603 million).

Civil engineering, long in the doldrums, got a mild boost last month, with road contracts pushing the combined value of 75 contracts to R123 million.

The total value for the five months of the year now stands at R610 million, well up on the R420 million for the same time last year but down on the R705 million recorded for January-May 1984.

It should be remembered, too, that construction costs over the past

two years have increased by about 35 percent.

The booster for last month's orders was the R22,8 million construction of 11 km of the N3 freeway between the Tugela River and the Valkrans interchange.

Edenvale centre

Work has begun on a shopping centre development in Edenvale — a joint project between Murray & Roberts Properties and Retail International.

"The 10 000 sq m centre will provide a one-stop shopping facility," says Mr Eric Field, executive chairman of M&R Properties.

"The three main anchor tenants are Pick 'n Pay, Clicks and Morkels."

There will also be 30 line shops and open parking for 380 cars.

"Pre-letting has been brisk and the centre is virtually fully let," says Mr Field.

The project is being financed by Volkskas Mer-

chant Bank and is scheduled to open next June.

Security

Security contracts covering two major developments in central Johannesburg have been awarded by LTA to the Rennie's Electronic Security Division of Fidelity Guards.

The buildings are Nedbank headquarters now being built on the site bounded by Rissik, Marshall, Loveday and Main Streets and the Prudential Assurance flagship on the old Colosseum property in Commissioner Street.

The Nedbank contract, worth R750 000, covers access control, closed circuit television, as well as 24-hour alarm monitoring of all security measures.

The R400 000 Prudential contract involves, at this stage, the planning and design of all security aspects related to access control and alarm monitoring.

/9317

CSO: 3400/161

29 July 1986

SOUTH AFRICA

BUSINESS PLANS TO CUT HOUSING BACKLOG

Johannesburg BUSINESS DAY in English 1 Jul 86 p 5

[Article by Thelma Tuch]

[Text] A PLAN to use loans from pension and provident funds, to cut dramatically the massive black housing backlog, has been devised by a group of Durban businessmen.

The Private Enterprise Upgrade Project (Pentup) was formed earlier this year by seven people in response to the housing crisis and government pleas for private-sector involvement.

The scheme depends on loans from pension and provident funds, which can be forthcoming only when regulations governing the prescribed investments of these funds are amended.

Pentup is to approach the Registrar of Financial Institutions to amend regulations to make pension fund investment in housing possible, one of Pentup's co-ordinators, Darryl Jackson, said.

It had been estimated, he said, that about R40bn was invested in the pension fund movement countrywide -- 5% of which could finance the building of 167 000 economic housing units at the cost of R12 000 each.

Employees' investment in pension funds would not be threatened as the cost of investing 5% of the movement's assets would be negligible, Jackson said.

"The concomitant loss in yield at an expected return of 15%, rather than 18,7%, is a mere 0,1%," Jackson said.

Pentup has been canvassing support for the scheme from the chairman of the Life Offices Association, Pierre Steyn, and chairman of the Pension and Provident Fund of SA, Arnold Bessarabie.

It is to approach Sanlam chairman Fred du Plessis in his capacity as chairman of the newly-formed private enterprise task force to help government implement its recently announced R750m housing scheme.

Government, employers and employees would be jointly involved in subsidising the scheme on a one-third loan repayment each, Jackson said.

"On a bond of R10 000 and an interest rate of 17,5%, their respective contributions for a house would amount to R49 each a month."

This amount, he said, was considered reasonable in the light of investigations conducted into minimum wages earned by black workers in various industries.

For employers such subsidisation would increase their wage bill by only 1,5% after tax, he said, adding that many major employers and employer organisations were enthusiastic to go ahead.

Opinion of the third party -- government -- will be gauged in mid-July when Pentup is scheduled to meet Deputy Minister of Finance Kent Durr.

Jackson said joint government-private sector participation -- the pooling of resources to build houses -- would enable the construction of a

larger amount of houses than separate efforts to deal with the 400 000 housing shortage would.

Meanwhile, Pentup has approached representatives of both the Congress of South African Trade Unions (Cosatu) and the United Workers' Union of SA (Uwusa) to discuss the scheme.

However, a major obstacle to get it off the ground is that of land availability. Land is scarce in Durban and Pietermaritzburg where it is generally controlled by tribal authorities.

But a report is being prepared by the KwaZulu Natal Planning Council to investigate the situation in major metropolitan areas and identify procedures for land release.

Pentup is also investigating the availability of land in the rest of the country, Jackson added.

/13104

CSO: 3400/247

SOUTH AFRICA

BARCLAY'S BANK MANAGER DISCUSSES FUTURE OF BLACKS IN TOP POSTS

Johannesburg BUSINESS DAY in English 25 Jun 86 p 2

[Article by Peter Wallington]

[Text]

SA MANAGEMENT was starting to accept that most of the high-level manpower needed to run the economy in future would be black, Barclays bank personnel manager Doc Pascoe said in Sandton yesterday.

Addressing a Unisa School of Business Leadership seminar on "Black advancement: strategies for success", Pascoe said it was unacceptable that whites, who make up only 15% of the population, should occupy 98% of all managerial positions.

"This situation will have to change dramatically in order to accommodate needs and aspirations of black matriculants, as was done for whites in the past."

Pascoe said black advancement became a crucial aspect of Barclays' manpower plan in 1977, when there were only 18 black people in senior supervisory and managerial positions. This figure rose to 206 this year and the projected total for 1990 is more than 500.

Barclays re-examined its black-advancement programme last year and came up with an equal-opportunity strategic plan through which it would recruit, train and advance black, coloured, Asian and white employees in such a way that the racial mix within the bank would move steadily towards reflecting the demography of SA.

While Barclays continued to focus on training and development, it also emphasised programmes which impacted on attitudes.

To change attitudes, it was necessary to change the environment, Pascoe said. "One of our strategies is to ensure that any branch of the bank which is not racially integrated will be integrated within a specific time frame."

He noted that equal opportunity presupposed a "level playing field", which SA — largely through inferior black education — did not have. Thus, simply to give black employees equal treatment did not amount to black advancement or equal opportunity.

"This approach fails to distinguish between giving people equal rights and providing the tools for them to use the same opportunities."

/9274

CSO: 3400/225

SOUTH AFRICA

FIRMS RE-EXAMINING SECURITY AFTER BOMB BLASTS

Johannesburg THE STAR in English 26 Jun 86 p 9

[Article by Michael Chester]

[Text]

Johannesburg businessmen are to examine new security measures in the wake of the bomb blasts on Tuesday.

Moves were launched yesterday to frame a set of guidelines on how businesses should tackle security.

Mr Marius de Jager, chief executive of the Johannesburg Chamber of Commerce, said security members would meet in the next few days to examine the whole issue of urban unrest.

"Our ambition is to produce a special newsletter that will give guidelines to all member firms — retailers, restaurants, hotels, factories and offices, especially those in and around the city centre.

"We are also exchanging notes with the Durban Chamber of Commerce to ensure as much information and experience as possible will be pooled."

New business security measures are also to be studied by the Emergency Planning Association that has been formed as an offshoot of the Central Busi-

ness District Association.

Mr Pat Corbin, president of the Junior Chamber of Commerce, said it had become essential to give new advice to businesses on security measures.

"The incidents on Tuesday have obviously caused grave concern. They have also caused some puzzlement in view of the enormous progress that Johannesburg in particular has achieved with reforms and the dismantling of apartheid.

"One is dismayed to learn that the very people who have contributed so much to racial harmony turn out to be the victims of terrorism," he said.

"The chamber will also be examining more effective ways of communicating to everyone what achievements have been made and what may still be in the pipeline.

"Perhaps ignorance about achievements is at the root of outbreaks of violence".

/9317

CSO: 3400/164

SOUTH AFRICA

OUTGOING CHAMBER OF MINES HEAD VIEWS REFORM, ECONOMY

MB240926 Johannesburg SAPA in English 0853 GMT 24 Jun 86

/Text/ Johannesburg, 24 June, SAPA--The essential condition for an improved outlook for the South African economy remained significant political reform which should be accelerated, particularly in areas where it would have tangible benefits for black citizens, the outgoing president of the Chamber of Mines, Mr Clive Knobbs, said today.

"Important progress has already been made in reversing and scrapping some of the most fundamental elements of the apartheid ideology," Mr Knobbs said, while delivering his presidential address at the chamber's annual general meeting in Johannesburg.

"It is a pity that both at home and abroad they have not been more widely recognised as such," he added. "The fashionable description of such changes as merely cosmetic is quite false."

Perhaps most significant was the fact that the government had firmly committed itself to negotiating a new dispensation based on power sharing with all South Africans, an idea that was anathema only a few years ago.

Mr Knobbs said the present state of the South African economy could best be described as "waiting for the upswing." This had long been expected and frequently predicted but had been extremely dilatory in arriving.

At the beginning of 1986 the prospects of an economic revival had begun to appear more favourable but "much of the optimism now appears to have been based on hopes rather than reality."

Mr Knobbs said: "Economic growth during the first quarter of this year was negative, it seems likely that it will be so in the second quarter as well.

"Very high growth will therefore be needed in the second half of 1986 if South Africa wants to achieve a zero growth rate for the year as whole.

"The rate of inflation has continued to be high and is expected to remain so after the recent depreciation of the exchange rate which remains persistently under pressure," said Mr Knobbs.

"It will be immensely difficult to pull the economy out of this vicious circle of currency depreciation and inflation."

The new stimulatory fiscal package announced last week by the minister of finance should be welcomed. The measures should be seen as part of an imaginative strategy for deregulation, urbanisation and housing development.

Mr Knobbs said the package should act as an incentive for further initiatives from the private sector and might improve confidence in the economy.

"Indeed, enhanced confidence may lead to a degree of appreciation of the rand, notwithstanding political pressures, and this can only help the fight against inflation," he said.

Perhaps the most promising had been the boost given to the economies of the industrial world by the massive decline in the oil price.

The prospects for more vigorous growth in the economies of South Africa's main trading partners and customers now looked better. High levels of demand in these economies must be good news for South Africa.

"The essential conditions for an improved outlook for the South African economy remains, however, significant political reform which should be accelerated, particularly in areas where it will have tangible benefits for the country's black citizens," Mr Knobbs said.

"The developments which we have initiated in the mining industry form part of the fundamental changes taking place in the South African society for the good of the country and all its people.

"That the mining industry will continue to play a prominent role in promoting a supporting reform during the challenging years that lies ahead is beyond doubt," Mr Knobbs added.

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CSO: 3400/169

SOUTH AFRICA

MINING PRODUCTION DECLINES 6.3 PERCENT

Johannesburg BUSINESS DAY in English 24 Jun 86 p 11

[Article by Mick Collins]

[Text]

THE volume of mining production, including gold, declined by 6,3% in March.

This is the largest decline over the past 15 months.

It brings the average decline for the first quarter to 4,7%.

Mining production, excluding gold, declined by 4,7%, which is again a deterioration from the increase of 4,7% for February.

Compared with the first quarter of 1985, this brings the average production down a marginal 0,1%.

Figures published in the Transvaal Chamber of Industries' *Bulletin* indicate that gold production declined to 94,9% in March, compared with 102,4% for the same period in 1985 — a decrease of 7,3% (see table).

This is the second-largest decline since the 8,8% of May 1985 and brings the average decline for the

PHYSICAL VOLUME OF MINING PRODUCTION

| | Month : March | | | Average: January to March | | |
|----------------------|---------------|-------|--------|---------------------------|-------|--------|
| | 1986 | 1985 | Change | 1986 | 1985 | Change |
| | 1980 = 100 | | % | 1980 = 100 | | % |
| Total including gold | 99,7 | 106,4 | -6,3 | 100,2 | 105,2 | -4,7 |
| Total excluding gold | 110,4 | 115,8 | -4,7 | 113,2 | 113,3 | -0,1 |
| Gold | 94,9 | 102,4 | -7,3 | 94,5 | 101,6 | -7,0 |
| Coal | 151,0 | 151,7 | -0,5 | 149,1 | 144,9 | 2,9 |

first quarter to 7,0%.

Coal production also declined marginally by 0,5% in March, although an average increase of 2,9% was still recorded for the first quarter of this year.

In other mining sectors, the largest production declines took place in copper, at 19,7%, and in asbestos, at 18,9%.

Large increases occurred in the

production of building materials (9,2%) and iron ore (8,5%).

The value of mineral sales came to R1,832bn in March 1986, of which gold contributed R952,2m or 52%.

The second-largest contribution was that of coal at R415,9m.

At much lower levels were the production of diamonds at R64,9m and copper at R47,9m.

SOUTH AFRICA

INTERNATIONAL CAMPAIGNS TO DEAL HEAVY BLOW TO KRUGERRAND

Johannesburg THE STAR (Business) in English 26 Jun 86 p 16

[Article by Neil Behrmann]

[Text]

LONDON — Marketing campaigns of the Canadians, Australians and the US will put the final nail in the Krugerrand's coffin — unless the Government changes its political stance.

To counter international sanctions against Krugerrands, International Gold Corp (Intergold), the marketing organisation of the South African Chamber of Mines, has been forced to promote gold itself.

Intergold officials do not mind which coin investors buy. In the end gold is being sold.

The marketing organization is successfully promoting gold use in the jewellery industry by following and advising on fashion trends. Gold sources also say that Intergold is advising coin producers such as Australia on how to promote their product.

Imports of the Krugerrand are banned in the United States, Britain, Scandinavia and several other countries. In Japan, the government has told dealers unofficially to stop buying the coin. It is believed that Hong Kong will shortly follow the UK and ban New Krugerrand imports from South Africa.

Last month the South African mint announced that it would issue a limited edition of the Proteus. Imports of the collectors' coin, commemorating the

discovery of gold near Johannesburg 100 years ago, was banned in Britain almost immediately.

Several coins of other nations are competing with the Krugerrand. The Maple Leaf, a one-ounce Canadian gold coin, has ousted the Krugerrand as market leader.

Australia and the United States Treasury will soon be distributing gold coins in a depressed and highly competitive world gold market.

"The whole coin market has been shrinking," says an annual gold report of Consolidated Gold Fields. It estimates worldwide minting shrank by 63 percent to 3,47 million ounces last year from the peak year in 1979.

Sales slump

The trend has worsened in the past two years.

Krugerrand sales slumped to 786 000 ounces last year from 2,6 million ounces in 1984 and 6 million ounces at its peak in 1978, estimates Anglo American Corporation. Consolidated Gold Fields contends that sales in 1985 were even worse.

Intergold refuses to release latest returns, but bullion dealers reckon sales this year have slumped further.

Capitalising on the Krugerrand's demise, Australia intends

minting the Nugget, a coin ranging in size from a tenth to one ounce of fine gold.

"We begin production in July," says an Australian official. "Proof coins mainly for Australians will be sold in September, he says, but mass international sales will begin next January.

The Australians will play on nostalgia and patriotism in their sales campaign, say dealers. One side of the coin will depict "Welcome Stranger" (a famous 2 284 ounce nugget found in Western Australia in 1869) and the other Queen Elizabeth II.

The Australians indicate that they will be minting about 350 000 ounces a year, but they will find the competition tough.

At the beginning of October the US Treasury begins selling Eagle gold coins, ranging from a tenth to an ounce of gold.

The Eagle is likely to be marketed aggressively in international markets, say bullion dealers, and will capture a large slice of the American market.

Murray Church, spokesman of the Royal Canadian Mint that

sells the Maple, says that the new coins could put sales of the Maple Leaf at risk. But he also says advertising and promotional campaigns are "good news". They will help expand the market for all gold coins.

Mr Church says annual sales are around 1.9 million ounces from around 1 million in 1984.

The Krugerrand is still actively traded, says a West German bullion manager. Some 44 million coins are in circulation. The Krugerrand's share is 40 to 50 percent of total coin dealings around the world, he says.

Coin dealers say however that when sales boomed, the price of Krugerrands were at a premium of 5 percent to 7 percent over gold quotes. Earlier this year, the coins were at a small discount of under one percent to the gold price. They are currently trading at par with gold bullion, against the Maple Leaf's 3 percent premium.

"Our marketing efforts over the years demonstrated the potential for mass market coin sales," says Mark Collier of Intergold's London office.

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CSO: 3400/164

SOUTH AFRICA

PRECIOUS METALS EXPORT EARNINGS SEEN BOOSTED BY SANCTIONS

Johannesburg FINANCIAL MAIL in English 27 Jun 86 p 88

[Text] Whatever the overall effects of sanctions on SA's economy, earnings from export of precious metals are likely to be boosted, at least in the short term. That, at any rate, is the positive view of Aiden Edwards, president of the Council for Minerals Technology (Mintek), a government-private sector body investigating beneficiation.

He tells the *FM* that the platinum price could double, and the gold price increase by between 10% and 50%, depending on the strength of the international sanctions packages.

"Subject to world perceptions of the seriousness of the South African situation, foreign exchange earnings from these two important commodity exports would appreciate considerably," says Edwards.

SA is responsible for about 90% of annual world platinum production and supplies some 50%-60% of the West's gold. Sales of gold accounted for 45% of the country's total exports of R33 billion in 1985. Given international demand and the many devious trade routes, particularly for gold, it would be virtually impossible to embargo exports of the two metals.

But, adds Edwards, there is a danger that users of platinum as a chemical catalyst in the motor, petroleum, nitric acid and other chemical industries would look for cheaper alternatives if prices shoot through the roof.

Conversely, investment in platinum as a precious metal — Japanese jewellery purchases make up roughly a quarter of all sales — could increase.

"What we are looking at here is a short-term boom and thereafter, possible serious damage to the industry," says Edwards.

He points to the sudden jump in the gold price in the days preceding June 16 to illustrate the effect political uncertainties can have on the price of SA's single most important foreign exchange earner. Sanctions would increase this uncertainty, placing a solid platform beneath the international gold price.

"Gold is also an excellent instrument for international barter deals. It would be a major trade weapon in SA's arsenal," says Edwards.

Diamonds provided some 3% of the country's foreign exchange earnings in 1985, and it is difficult to project the effect of sanctions while De Beers' Central Selling Organisation virtually controls the international market.

Producers of other strategic minerals — chromium, manganese, vanadium and titanium — would probably not be as fortunate, as they are mostly easily identifiable bulk exports. Alternative producers would be quick to fill any gap left by SA's absence from international markets.

SA has about 75% of proven world chromium reserves and produces some 50% of the world's ferrochrome, which is essential for stainless steel manufacture.

A short-term price boom could be followed by degeneration of this important industry, in spite of the fact that SA is the world's cheapest producer.

"Zimbabwe, India, Brazil, Sweden, the Phillipines and Turkey are all ready to step into the breach, and it could take the industry between 10 and 20 years to recover from imposition of sanctions," Edwards notes. But chrome, although an important export, provided only 4% of SA's foreign exchange earnings last year and a collapse would not be catastrophic for the economy, he adds.

Another option for SA is to increase local production of stainless steel. "Although most stainless steel producers jealously protect their own industries, the alternative does exist," says Edwards.

SA has the world's greatest reserves of

vanadium, used in production of speciality steels and in the chemical industry. The 1985 earnings of R300m made up about 1% of total export receipts, but producers could be forced to ride the same rough road as chrome producers.

Alternative producers in Brazil, China and Russia are already waiting in the wings. But again, beneficiation, already

successfully done by Highveld Steel and Vanadium, could provide some relief.

"The immediate effect of sanctions would therefore be an increase in foreign exchange earnings as world prices shoot up," Edwards sums up. "But this would be followed by the gradual deterioration of several industries as substitutes are developed or other producers take over SA's markets."

The sobering thought must be: where does this leave the workforce?

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CSO: 3400/242

SOUTH AFRICA

PROFITS SHOW PALAMIN AS HIGHLY EFFICIENT COPPER PRODUCER

Johannesburg FINANCIAL MAIL in English 27 Jun 86 p 98

[Article by Christopher Marchand]

[Text] Palamin remains one of the world's more efficient copper producers and has achieved large savings by cost cutting measures. The share is seen as a sound rand hedge stock.

Take a high-risk commodity like copper and what do you get? Palabora Mining (Palamin), one of SA's most successful mining ventures. International copper prices are under pressure, owing to global over-capacity, but Palabora has carved out an assured market for its supply of high-grade copper. Its success stems from tight cost control and solid technology, which enables Palamin to turn low-grade copper ore deposits into some of the highest quality cathode on the world market. With the rand sharply weaker in the last financial year to end-December, earnings rose by 51%, and the dividend by 64%.

How did it begin? The Palabora mine was made possible by a geological process which began 2 000m years ago. A series of massive volcanic upheavals tore the earth's crust, forcing millions of tons of magma up from great depths. On cooling, a "treasure house" of minerals was left, now known as the Palabora Igneous Complex. Copper apart, phosphates, vermiculite, magnetite, uranium oxide, zirconium, nickel, gold, silver and platinum group metals (PGM) are extracted. Vermiculite is mined separately. By-products contribute 20% of Palamin's sales revenue.

Since 1966, the complex has been mined by Palamin, controlled by both Rio Tinto and Newmont Mining. Foskor has the rights to the phosphates, which Palamin mines in the same open cast pit as the copper. At a mining rate of 100 Mt/year, Palamin is the second largest open cast operation in the world. The pit is centred on a vertical ore

body: 1,9 km by 1,54 km in size. Rock is loaded onto haulage trucks and driven to the surface for crushing and milling, which is done in conventional and autogenous circuits.

At this point, we see the operation of cost savings. The trolley assist haulage is probably the most impressive measure. Trucks hauling ore/waste out of the pit are connected to overhead lines, which feed electricity directly to the motors. This allows the diesel engine to tick over and dramatically cuts fuel demand. Palamin MD Al Leroy says the net energy saving in 1985 was R14,2m, or R30,5m since 1983.

Other cost measures include last year's phasing-in of a computer despatch system to improve fleet usage, manufacturing truck main frames locally, improved truck maintenance, and the use of cost-efficient emulsion explosives for primary blasting. The possible switching of primary crushing from surface to the pit is under consideration, which would slash the size of the truck fleet.

One problem is that Palabora has no control over its largest cost inputs, and is a victim of such factors as high inflation and the exchange rate. Leroy notes that the average cost of cathode produced in 1985 rose by 27% to R2 012/t. Energy prices (electrical power and diesel fuel) are the largest cost contributor, as the mine relies almost entirely on Escom for power. For its part, the falling exchange rate

pushes up the cost of spares. The matter is of concern, as cost control is vital to any future decision to expand the mine underground.

Vermiculite is Palamin's main by-product. It occurs in thin, flat flakes, and is recovered by feeding the crushed ore through an air stream which winnows off the flakes. When heated, vermiculite expands into a product of excellent thermal and sound insulating properties. Palamin accounts for some 33% of the Free World's production. Demand is strong, particularly for finer ranges, and an enlarged plant will be commissioned in the second half of 1986.

However, back to copper. The crushed ore undergoes a process of flotation, and copper is extracted by chemical reagents. The residue or tailings contain magnetite, which is removed on revolving magnet drums. Further treatment extracts uranium and zirconium, and the high phosphate tailings are then pumped to nearby Foskor. At the smelter, the copper concentrate is melted in a reverberatory furnace, and separates into two distinct layers: copper matte and slag. The copper matte is blown with air through three converter furnaces, in a process which oxidises the iron and sulphur.

Molten copper is then cast into an anode of 99.5% purity. By intensive electrolytic refining, copper ions are then transferred from the anode onto a cathode of 99.997% purity.

The smelter process also yields sulphur dioxide, which is converted into sulphuric acid for sale to Sentrachem's Fedmis. A R35m sulphuric acid plant is due for completion this year to increase the capture of the smelter's sulphur emissions. Anode slimes from the refining stage are treated abroad to extract precious metals such as gold, silver and PGM. Leaving costs aside, present business conditions are favourable. Borrowings slid in 1985, and the debt:equity ratio fell from 0.44 to 0.31. This has allowed for a more liberal dividend policy, and earnings this year may be held. Palamin sells its copper at the London Metal Exchange (LME) sterling prices. LME copper prices in the first five months of 1986 have dropped some 12% compared with the 1985 average, and could fall further. But the rand is weaker, production should increase in 1986, and costs are budgeted not to rise by more than 7%.

This year's dividend should be maintained, placing the share at R22 on a favourable 8.2% dividend yield and a price ratio of 7.4. The income yield is attractive, but an investment in rand hedge stocks involves taking a view on the volatile exchange rate. If you believe the rand is headed inexorably lower, Palamin must have investment appeal. If the rand firms, the share could still offer short-term gains. Whatever the case, Palamin has plenty of go left.

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CSO: 3400/242

SOUTH AFRICA

METAL, ENGINEERING FIRMS TABLE NEW WAGES OFFER

Johannesburg BUSINESS DAY in English 30 Jun 86 p 1

[Article by Claire Pickard-Cambridge]

[Text] EMPLOYERS have tabled a new wage offer for 350 000 employees in the metal and engineering industry in an attempt to resolve the disputes and deadlocks existing between the employer body and six unions.

The unions represent nearly 130 000 workers and their response — which will be relayed to employers at a special Industrial Council meeting in a week's time — could indicate whether a widespread strike is in the offing.

Nine of the 15 unions on the council have accepted the offer, but sources believe Manpower Minister Pietie du Plessis would be unwilling to extend the agreement to the entire industry if many unions refused to be party to it.

The Steel and Engineering Industries Federation of SA (Seifsa) met the unions on Friday to confirm it was improving wages for workers on lower grades.

Minimum increases offered range between 32c/hour on the lowest unskilled grades to 60c at the top. This amounts to increases of between 17% and 11,5% and

puts the new minimums at between R2,22 and R5,81 an hour.

Talks began in April and several unions declared disputes after the second round of talks.

The Metal and Allied Workers' Union (Mawu), the Steel, Engineering and Allied Workers' Union (Seawu) and the Electrical and Allied Workers Trade Union of SA (Eawtusa) — in deadlock with Seifsa — have stuck to their original demand of a minimum of R3,50/hour.

The SA Boilermakers' Society (Sabs), the Engineering and Allied Workers' Union (Eawu) and the Eastern Province and Border Engineering and General Workers' Union are now also in dispute with Seifsa.

□ MICK COLLINS reports Mawu will this week hold its first national congress which is expected to focus on the deadlock in national wage negotiations in the metal industry.

More than 300 delegates are expected to attend the Johannesburg meeting.

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CSO: 3400/241

SOUTH AFRICA

GOLD MINING EMPLOYMENT SETS NEW RECORD

Johannesburg THE CITIZEN in English 25 Jun 86 p 29

[Article by Madden Cole]

[Text]

THE level of employment in the gold mining industry set a new record in 1985 and total mining employment increased by 13 100 to 725 000, the outgoing president of the Chamber of Mines, Clive Knobbs said.

As a labour intensive industry, the mining sector provided an economic lifeline to the country's rural areas and neighbouring states, ensuring the survival of millions throughout the sub-continent, he said in his presidential address yesterday.

"If all the money and consumer goods sent home, then over R1 000 million finds its way back to source communities."

Mr Knobbs said that total wages earned by the total workforce amounted

to R3 957 million last year, an increase of R569 million compared with the 1984 wage bill.

Referring to gold production he pointed out that contrary to the general trend, output in South Africa fell by 12 tons from 183 tons in 1984 to 671 tons last year.

The fall, in spite of the continued expansion in milling capacity in mines, was caused by a 5,3 percent fall in the average grade in ore milled.

"The lower average grade largely reflects the high rand gold prices which allow South African mines to process ores previously uneconomic at lower prices."

Referring to new mine

safety records, Mr Knobbs said that a number of new safety records were established last year including new lows for both fatality and injury rates.

Another record was that set for the number of mines to attain a million or more fatality-free underground shifts in one year. The new record of 20 mines bettered by three the previous one set in 1981.

In the field of labour relations he points out that while the relationship between employers and the National Union of Mineworkers (NUM) had not fully matured, a working relationship had developed between them

that was "not fully appreciated."

This was not fully appreciated as "perceptions of the nature of the relationship are shaped instead by the considerable media coverage given to the annual wage negotiations between the Chamber and NUM which have become a prominent event in this country's industrial relations calendar."

Mr Knobbs said that it was essential that the last remnant of discrimination in the country's labour legislation was "cleanly excised" and that there were not perceived to be any strings attached to its repeal.

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CSO: 3400/164

SOUTH AFRICA

COINS BAN WILL NOT AFFECT GOLD CONSUMPTION

Johannesburg BUSINESS DAY in English 1 Jul 86 p 6

[Article by Mervyn Harris]

[Text] THE planned introduction of new gold coins by several countries — or the expansion of the production and marketing of existing coins — will not significantly affect gold consumption before 1987.

This is the view of Anglo American directors in their review for the year ended March.

They say the ban on the importation of Krugerrands into the US, Japan and other countries resulted in a severe reduction in the sale of these coins, and a significant drop in gold offtake by the coin sector of the market.

"A substantial surplus of gold thus remained to be absorbed in investment markets, in competition with more attractive investment alternatives. This determined the flat prices experienced during 1985," they add.

With the exception of a brief rally to \$341 in August, the dollar price of gold traded between \$308 and \$335 for the last nine months of 1985 — the narrowest price range seen in the gold market since 1977.

This reflected lack of interest by the general investor when attention was absorbed by strong stock market performances in all major centres, continuing real returns in the bond markets and movements in the currency markets.

However, the sharp depreciation of the rand against all major currencies sent the rand gold price to R900 by December. The price eased to R730 at the end of March after the recovery of the rand.

The investment sector of the market remained the determining influence on the price of gold in 1985, with gold supply continuing to exceed physical demand.

SA gold production declined slightly in 1985, though overall Western world production increased and Comecon gold sales grew by a small margin.

Renewed market interest in 1986 has pushed the price to a new range of \$330 to \$360. This price range has been sustained by investor concern over a combination of issues, including the lower dollar, political tensions in Middle Eastern countries and Libya, labour unrest in SA mines, and the possibility of an international banking crisis arising from falling world crude oil prices.

The directors note that oil prices have not yet established a firm floor level and the full effects of these developments remains to be seen in the oil and bullion markets.

Coal sales by SA mines administered by Anglos increased from 37,8-million tons to 38,1-million last year. This formed about 23% of the national total.

The market for internationally-traded steam coal continued to grow, and prices under longer-term supply contracts were generally higher than in 1985.

However, increased availability from established suppliers such as Australia, SA and the US, and, more recently, from Colombia, has depressed spot prices.

The price fall has been accelerated by the sharp decline in oil prices this year.

SA coal prices have been further hit by the decision of certain countries to lessen, or even eliminate, their reliance on SA coal because of unfavourable perceptions of the country's political situation.

While depressed domestic markets last year were partly offset by rising exports, fiscal measures, supported by monetary policies, are likely to have a modest expansionary bias in the year ahead.

"Unfortunately, only a moderate growth target can be countenanced under present circumstances," say the directors.

"Inflation is at an exceptionally high level, and domestic spending has to be kept within the limits imposed by debt-repayment commitments concluded with foreign banks.

"The emergence of a recovery, and its strength and durability, depend critically on the country being able to move towards normality in international and domestic relationships."

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CSO: 3400/247

SOUTH AFRICA

TRANSSAAL FACING CRITICAL WATER, GRAZING SHORTAGE

Johannesburg THE CITIZEN in English 5 Jun 86 p 8

[Text]

THE Transvaal Agricultural Union says most parts of the Transvaal had very poor rains this season and face a critical shortage of water and grazing, along with minimal crops.

A survey by the union has shown that only the Eastern Highveld and the Southern Lowveld received substantial rains this summer.

"It's especially the younger farmers who are having to bear the heaviest burden," a spokesman for the union said. "Judicial auctions of farms are becoming ever more common and younger farmers are leaving their farms in greater numbers.

"It's also evident that many farmers plan not to continue soil cultivation after this season's crop has been marketed."

The union says the current locust plague has

shown signs of spreading to large areas of the drought-stricken Western Transvaal and this development is being viewed with concern.

The TAU released the following summaries of the situation in the province's regions:

Eastern Transvaal: Crop yields vary from average to very good, with farmers at Piet Retief and Belfast recording record crops. Water resources and grazing are in better condition than last year, although critical at Bronkhorstspuit and Middelburg. Stock is in reasonable condition.

Northern Transvaal: Virtually no winter planting has taken place in the driest areas. Tobacco and cotton crops were below average this season, and prospects are poor. Water resources and grazing vary from poor to critical, with the Limpopo and Pa-

lala Rivers running dry. Stock feed is in short supply.

● **Lowveld:** There is plenty of water and grazing in this region and farmers are reportedly optimistic about winter prospects.

Central Transvaal: Prospects are very poor in this area which includes Pretoria, Brits and Zee-rust. Crops are down, insolvencies are up, breeding stock numbers have dropped and 80 percent of all boreholes have run dry.

Western Transvaal: Crop yields here are worse than expected. Water resources and grazing are in a critical condition. The Ventersdorp district agricultural union has already applied to be declared a drought-stricken area. Locusts are hampering production in the Sannieshof, Ottosdal and Christiana areas.

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CSO: 3400/243

SOUTH AFRICA

HOPES OF FINDING SECOND WITWATERSRAND BASIN DISCUSSED

Johannesburg THE STAR in English 24 Jun 86 p 12

[Article by Jaap Boekkooi]

[Text]

It all started with a monstrous cauldron, bubbling and sending up steamy sulphur clouds in an area aptly centred on what is today known as Warmbaths.

There, out of the deep earth, welled up a treasury of elements into the bubble pot, among them gold, silver and toxic mercury.

From the north the hot streams cooled down as they flowed via many-tongued estuaries into a shallow inland sea some 2 800 million years ago.

The sea amid the desolate moon landscape was probably sterile, but for the first primitive algae; and the gold, silver and mercury settled down in estuary streams which resembled the fingers of an unearthly giant hand.

Discovered

There are at least six hands and new "fingers" (riverbeds of rich gold sediments) are still being discovered — as was the case in part of ERPM at Boksburg recently.

That largest of the world's gold-bearing seas filled up amid primeval silence during some 300 million years in the Pre-Cambrian period, some one hundred times as long as man has existed on earth.

Then cataclysmic events took place. The earth began to rock and smoke; lava flowed. Layers thousands of metres thick spewed over that forlorn inland sea. The Earth's crust melted and cooled repeatedly; expanded and contracted. The gold sediment reefs bent and broke up, sometimes turning upside down.

It was only a century ago this year that one of the reefs, poking its conglomerate derriere out of the old lava bed at Langlaagte, was excavated during the building of the widow Oosthuizen's farmhouse.

Then man came to know at last about that vast inland sea, buried in a prehistoric holocaust 25 million centuries ago.

"It was a unique sea of tranquillity, totally unusual in our world, for it is still a complete mystery why the deposits were so rich. North and north-west of it, where the Bushveld is today, there must have been a treasure house of gold," says one expert who has made a lifelong study of that sterile inland sea.

This, then, is the great golden Witwatersrand, the buried and lava-blanketed sea stretching hundreds of leagues across, with powdery gold lining its six vast northern estuary beaches.

During a hundred years man has dug almost 40 000 tons of gold from its boomerang-shaped carrier reefs, an amount unparalleled in any other part of the world.

And since 1886 men throughout the world have searched feverishly to find another magic Witwatersrand. But the quest has been frustrating and fruitless.

They found something similar at Elliott Lake in Canada, but the sediments contained no gold, only much cheaper uranium.

There may be a similar rock-like inland sea at Tarkwa in Ghana, but it has not been explored methodically.

The Australians are still full of hope that they will eventually find their own Witwatersrand.

The Russians are looking for a big Witwatersrand as well, as they have furtively shown. For this purpose they have long ordered all publications dealing

with the Witwatersrand, even those in Afrikaans, and have had them translated.

Messages

The Soviet Union's biggest alluvial gold field, which has helped to turn the country into the world's second largest gold producer, is only one-tenth the size of our Rand.

In fact all the world wants to discover another Witwatersrand, and this will be one of the main messages of the large Geocongress '86 in Johannesburg next month.

"The biggest contingent will probably come from Australia where there are high hopes of finding something similar.

"At this congress 200 overseas visitors will have the opportunity of a lifetime to learn the latest about this unique golden sea," one of the organisers says.

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CSO: 3400/162

SOUTH AFRICA

BRIGHTER PROSPECTS FOR SUGAR FARMERS

Johannesburg THE STAR (Business) in English 26 Jun 86 p 16

[Text]

DURBAN — The sugar industry now faces brighter prospects after a disappointing 1985/6 season, Mr Frank Jones, retiring chairman of the SA Sugar Millers Association, said.

Mr Jones said at the association's annual meeting that first signs were evident of the long-awaited recovery in the world price of sugar — and the current season's prospects for the industry were better than in previous years.

The quotation for October sugar currently stands at a more healthy £156 a ton and, for the first time in five years, consumption is expected to exceed production. The excess will be a sizeable margin owing to production cut-backs in several countries.

As a result the local sugar industry expects to earn some return on capital from its exports this year — despite continuing inflation.

Mr Jones said the 1985/6 season had been disappointing in many respects. Total production of 2,11 million tons of sugar had

been well below early estimates and a quarter of a million tons below the previous year's output.

He attributed the fall to drought conditions (especially in Zululand and on the North Coast) and eldana infestation. The eldana problem could again affect the crop in the current season.

Although the 1985/6 cane crop of nearly 19 million tons of cane was 19 percent down on the previous year, the industry obtained an above-average sucrose content. Coupled with low fibre, this gave a good cane-to-sugar ratio of 8,8 percent for the season.

The mills set an overall extraction record but boiling house recoveries had fallen owing to lower juice purities. Operating efficiencies reached a peak and, overall, the industry

had received good reports on its efficiency and productivity gains.

On the domestic market, recession, unemployment and boycotts had pushed sales marginally below those of the previous year. However, sales of 1,23 million had exceeded estimates.

The past season's biggest disappointment was the world price of sugar which reached a record low (in real terms) of £82 per ton.

Export earnings were low. Despite the higher domestic price, total proceeds from the sale of all sugar and molasses improved only 4,4 percent to R1 062 billion.

Industry requirements, by contrast, amounted to R1 279 billion (R1 145 billion for the A pool and R134 million for the B pool).

The resulting R217 million deficit had to be absorbed by millers and growers — the largest ever experienced.

This was the third successive season in which the industry had failed to earn any return on capital.

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CSO: 3400/164

SOUTH AFRICA

EASTERN CAPE INDUSTRY URGED TO SHOW MORE INITIATIVE IN OIL SECTOR

Port Elizabeth WEEKEND POST in English 28 Jun 86 p 1

[Article by Denise Boutall]

[Text]

INDUSTRY in the Eastern Cape is in danger of losing out on the Mossel Bay oil bonanza unless it acts now, shows more initiative, and is prepared to spend money researching the oil business.

This warning was given by Port Elizabeth's Deputy City Engineer, Mr Angus Fraser, back from a fact-finding mission to North Sea oil installations.

"J R Fwing is real," he said. "He symbolises the tireless, ruthless and determined individuals who survive and prosper in the oil business."

"It's the dynamic people who are prepared to get involved, to take risks and to adapt to a new industry that survive to share in the substantial profits to be made from the oil business," he said in an interview yesterday.

"Unless Port Elizabeth companies find out now what will be needed of them to pursue the contracts, and act now, they will lose out. It will doubtless mean major modifications of plant and they must be ready."

Fat dividends from South Africa's east coast gas fields were not going to drop in the laps of East Cape industrialists, he warned. Port Elizabeth was going to have to get in and fight for its share of the proceeds.

The Government's implied assurance that a major part of the rig would be assembled in PE was by no means a guarantee. The oil industry was a fiercely competitive business and no one risked money on amateurs.

In November, the Minister of Energy Affairs, Mr Danie Steyn, said the Government would seriously consider having the jacket (underwater support structure) assembled in PE.

But Mr Fraser said this was unlikely because the contract would require the services of a large number of welders, and it would probably be built in Durban.

He added though that only about 25% of the work on the construction of the platform could be done in South Africa and that all the land-based facilities available in Cape Town, PE and Durban would have to be used to do the work.

Mr Fraser drew a comparison between PE's industries and the Scottish shipbuilders, who were too slow to capitalise on the North Sea oil industry 20 years ago — and have remained in decline ever since. "The British shipbuilding industry, based on the Clyde, largely lost out on the construction of the rigs for the North Sea because they had not prepared themselves to get the work," he said.

He felt Port Elizabeth industries should concentrate their efforts on getting contracts to build four of the seven modules that would go on top of the platform. These could be built on the container quay in the harbour. These modules would be more suited to the industries already established in the city.

Mr Fraser said his next step would be to report on his trip to the PE City Council's Policy and Resources Committee and he would recommend that the special committee dealing with the issue talk to local industry to find out whether they were prepared to make the necessary investment.

The idea, said Mr Fraser, was that the council and the Midland Chamber of Industries would prepare a document which they would give to major potential contractors on the Mossel Bay gas installation to point out the advantages of working in Port Elizabeth.

Mr Fraser divided his time between the east and west coasts of Scotland, meeting people in the industry as well as in local government to discuss the problems and requirements of contractors engaged in the construction of oil installations.

He said he had also been warned that involvement in the Mossel Bay would not necessarily mean a long-term solution to any region's problems.

"It should be treated as one treats any big contract — as something worth getting involved in, that one can make substantial profits out of but that will come to an end."

The city's Development Officer, Mr André Crouse, endorsed Mr Fraser's concern that industrialists might miss out.

He said that at this stage no one should prescribe what should or should not be built in PE.

"People here should look into the possibility of getting involved with almost any aspect of the construction."

"Having the jacket built here would be a bit psychological boost for the city and would gain very good publicity for it."

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CSO: 3400/246

SOUTH AFRICA

COMPANIES WARN STRIKES THREATEN DRUG PRODUCTION

Johannesburg BUSINESS DAY in English 2 July 86 pp 1, 2

[Article by Claire Pickard-Cambridge]

[Text] PRODUCTION of life-sustaining drugs has been threatened by strikes over the detention of trade unionists, according to a warning issued to government by 14 major pharmaceutical companies.

All 14 East Rand companies were hit by a two-day sit-in strike last week by members of the SA Chemical Workers' Union (Sacwu) who demanded the release of a union leader and detained members.

Roche Products personnel services manager Jan Smit said four employer representatives had met Manpower Director-General Piet van der Merwe on Thursday to discuss the matter.

"We told him of our concern over the effect of current detentions on labour relations in general, and the way it affected us in the workplace.

"Our basic concern is that most companies are pharmaceutical producers of life-sustaining drugs which people cannot do without," Smit said.

Several employers told *Business Day* another danger posed by the strikes was that pharmaceutical companies could be closed by the Medicines Control Council if they employed unskilled temporary labour.

The 14 companies include Twins Pharmaceutical Holdings, Roche Products, Beecham SA, Richardson-Vicks, Scherag Ltd, Wyeth Ltd and Smith, Kline and French.

They join a growing number of employers who have asked government to charge or release detained leaders as

rapidly as possible.

The strikers returned to work last Friday and a joint group of employers met with Sacwu representatives to inform them of their meetings with government.

Smit said the meeting with Van der Merwe had been "very constructive" and that Van der Merwe would act as go-between between employers and Law and Order Minister Louis le Grange.

The meeting had been arranged after the 14 employers telexed Minister of Manpower Pietie du Plessis, Minister of Health Dr Willie van Niekerk and Minister of Law and Order Louis Le Grange last Wednesday.

Smit said no further meetings with government had been arranged and employers were waiting to see what would happen.

□ Kahn & Kahn Plastics in Isando was also affected by a stoppage last week in which worker demands included the release of detained unionists.

□ About 250 workers have been on strike at Cheesebrough-Ponds in Wadeville since last Thursday. Management declined to disclose the cause of the strike,

but Chemical Workers' Industrial Union's (CWIU) Chris Bonner said workers were demanding the dismissal of a supervisor who allegedly assaulted a worker.

□ About 4 000 workers at seven Sentra-chem plants in the Transvaal, Free State and Natal have entered their seventh week of strike action over wages.

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CSO: 3400/242

SOUTH AFRICA

BRIEFS

3% GDP HOPES FADE--Hopes of the economy achieving the targeted 3% real growth rate in the gross domestic product (GDP) this year appear to be remotest. The Reserve Bank's QUARTERLY BULLETIN June issue said the "Moderate" increase in GDP in the second part of 1985 petered out and, with a few exceptions, the economy showed real declines in most major productive sectors this year. It said there was a decline of 2% in GDP in the first quarter. The BULLETIN's statistical tables on GDP suggested the decline was only 0.8% but other statistics reflected a worrying flaccidity in the economy. The probabilities are that the decline in real GDP gathered pace in the second quarter and a turn-around in the second half of the year of a magnitude which could produce the 3% growth is improbable. To achieve that, the growth rate would have to build up to about 6% which would appear to be out of reach now. Real private consumption spending declined by 2.5% in the first quarter. The BULLETIN said: "Consumer surveys during the first quarter found a lack of confidence about future income rises. The erosion of personal incomes by an exceptionally high rate of inflation, as well as by fiscal drag, contributed to the decline in consumer spending." Real fixed investment continued to decline. Cutbacks in investment by state corporations were related to surplus capacity and the exclusion of SA from foreign capital and credit markets. Apart from mining, capital outlays in all major areas of the private sector continued to decline. Salary and wage increases were below the inflation rate while registered unemployment, seasonally adjusted, rose from 79,700 in January 1985 to 137,700 in January 1986. Bank advances were virtually static. Measured in terms of the inflation rate, they declined. [Text] [By Harold Fridjhon] [Johannesburg BUSINESS DAY in English 23 Jun 86 p 3] /9274

JOHANNESBURG BUDGET SAID UNREALISTIC--The record R1,185m Johannesburg City Council budget announced yesterday was unrealistic and out of step with government's new simulacrum financial package, council opposition leader Sam Moss said yesterday. He said it would place an unnecessary burden on the consumer. Approximate increases, effective from July 1, are 12.9%--increased from 2.8c a rand to 3.16c/R--in the assessment rates, 15% in the water rates, 12.5% in electricity rates, 15% domestic gas, 18% other gas, 13% on bus tickets and 15% in building plans, effective from August 1. The budget is expected to increase the average householder's bill by 12.4% or about R12.19. Domestic properties will continue to receive a 55% rate rebate and flats and sectional title properties will continue to receive the present 14% rebate. Management committee chairman Francois Oberholzer said despite the increases, a R634,000 deficit would be expected by June 1987. [Text] [By Dianna Games] [Johannesburg BUSINESS DAY in English 19 Jun 86 p3] /9274

LOCAL EXPORTERS FACE HOSTILE ATTITUDE--Local exporters face a more openly hostile attitude towards SA as a result of recent political events in the country, which, up to now, have been highlighted by extensive overseas media coverage. "This means that more than ever before, SA export cargoes are exposed to seizure or confiscation by foreign governments," said PFV Credit Insurance Brokers director Carlos da Costa. While Credit Guarantee Insurance was the natural choice for covering local exporters' commercial and political risks, Da Costa added it did not cover exports to boycotting countries. "Although underwriters are becoming more and more circumspect about increasing their exposure to SA-related trading risks, we can still obtain confiscation cover from some insurance markets." Some examples of potential risks facing exporters include: --A ship being forced to make an unscheduled stop at a hostile port. If the authorities found the cargo was South African, they would probably confiscate the goods, said Da Costa. --An importing agent in a boycotting country could tip off the port authorities on the SA connection of a shipment. The goods might then be confiscated and the agent could then purchase these on a "sale" for a fraction of their original value. [Text] [By Lesley Lambert] [Johannesburg BUSINESS DAY in English 19 Jun 86 p 2] /9274

NEW CAR SALES PROMISING--New car sales last month are expected to rise by between 10% and 14% - to about 15 000 units - compared with the previous month, says the National Association of Automobile Manufacturers of SA (Naamsa). Commercial vehicle sales should rise by 12% to 6 800 units. Naamsa director Nico Vermeulen said yesterday government's fiscal measures to re-activate the economy - including perks tax relief - favourably affected last month's sales. This improvement comes after May car sales slumped to a 1986 low of 13 754 units, prompting renewed industry calls for a comprehensive rescue package. Naamsa director Nico Vermeulen said commercial vehicle sales should improve by 12% to 6 800 units in June. [Text] [Johannesburg BUSINESS DAY in English 2 Jul 86 p 1] /13104

BER SURVEY ON MANUFACTURING--First signs of a levelling out in manufacturing activity are beginning to emerge, says Stellenbosch University's Bureau for Economic Research (BER). However, it warns that any long-term recovery will be limited by an "alarming" 46,3% fall in manufacturing fixed investment and suggests the public sector should take a bigger stake. The BER's latest Manufacturing Survey says that while signs exist of slightly improved conditions, recent falls in the rand have further dampened the mood among manufacturers, and "no significant improvements have yet materialised". Real activity in the manufacturing sector began improving in the first three months of the year, relative to the corresponding 1985 period. After a 5,5% year-on-year decline in production volume in 1985, production in the first quarter of 1986 rose 2,3%, compared with January-March 1985. This improvement is likely to continue in the second and third quarters, based on manufacturers' expectations of sales and orders. The improvements - many export-related - are so small, however, they are unlikely to have a major impact on production capacity utilisation. "Survey results suggest that utilisation was still at a low level during the first quarter of 1986. Only a slight improvement might have materialised in the second quarter of 1986." [Text] [Johannesburg BUSINESS DAY in English 2 Jul 86 p 1] [Article by David Furlonger] /13104

EMPLOYMENT FOR SOLDIERS--Durban--The thousands of soldiers returning to Durban this weekend after two years of National Service can look forward to the support of 400 of Natal's largest companies when they begin searching for jobs in a depressed economy. However, even with the help of big business, the unemployment figure among them is expected to be up to 42 percent from last year's 25 pc. Durban City Councillor, Major Pieter Breytenbach, said the Durban municipality had been one of the leaders in offering employment to soldiers. He has also organised a team of experts to visit a large demobilisation camp at Ladysmith to talk about jobs and opportunities.--Sapa [Text] [Johannesburg THE CITIZEN in English 27 Jun 86 p 14] /9317

BUSINESS CONFIDENCE UP--Business confidence has picked up for the first time since February, according to Assocom's latest Business Confidence Index (BCI). The index, which measures business confidence according to the movements of certain economic indicators, was boosted, 1,5 points to 80,1 in June. This follows a decline for three consecutive months from a high of 85,5 in February. Positive impacts came mainly from the JSE market, the unemployment index and net migration from SA. In contrast with improvements in these sub-indices, the fall in the external value of the rand, which started in April, continued through to June with further negative influences coming mainly from declines in the volumes of retail sales and a persistently high rate of inflation. Although business confidence remains at a relatively low level, Assocom says several factors had favourably influenced business sentiment this month. These include the fiscal "package" announced by Finance Minister Barend du Plessis' the prospect of lower interest rates; and the perception that violence in SA may be on the wane. Confidence has also been boosted by Du Plessis' reported statement that he is willing to consider further stimulatory economic measures if the economy does not respond within a couple of months to the fiscal "package". Assocom says it is possible the latest small strengthening in the BCI may mean business sentiment is beginning to adjust the inevitable realities of another difficult year for the economy. [Text] [Johannesburg BUSINESS DAY in English 1 Jul 86 p 1] [Article by Lesley Lambert] /13104

PRETORIA OPENS CBD--In the face of bitter opposition from rightwing National Party councillors, the Pretoria City Council last night agreed to free trading in a large section of the central business district. In the heated debate the Nationalist-oriented Federation of Ratepayers was accused of reneging on an election promise to back apartheid. The council also agreed it would not object to open UIP-Warner cinemas in Menlyn and Ster-Kenekor cinemas in the city. [Text] [Johannesburg BUSINESS DAY in English 1 Jul 86 p 1] [Article by Gerald Reilly] /13104

CAPE HOUSING PROJECT--Work has started on the first stage of the R2 000m Lower Kuils River freehold housing development for coloured people. Approximately 7 000-homes are to be built on land within the Blue Downs area of the Cape Flats, and the first homes should be ready for occupation by the middle of next year. The ultimate development will be larger than Mitchells Plain. Giving details of the project, the Minister for Local Government, Housing and

Agriculture in the House of Representatives, David Curry, offered all the development to private enterprise - provided that they could produce homes at affordable prices. The intention was that all homes would be sold under freehold title. Small contractors would be encouraged. The area had been split into six sections, sized to accommodate small and large developers and even one-man teams. Curry explained that the State hoped to stabilise land prices in the area by starting the project now. The Blue Downs land, approximately one quarter of the area earmarked for the 4 000ha Kuils River project, was State owned, but the rest of the land was in private hands. "Prices are sure to rise," Curry said. "There is an increasing shortage of land for housing development throughout the (Cape) peninsula." A private enterprise scheme for up-market black housing has been announced by Bellandia Homes in the Cape. The company will build 101 homes - ranging in price from R40 000 to R80 000 - at Khayelitsha on the Cape Flats. [Text] [Johannesburg BUSINESS DAY in English 2 Jul 86 p 5] /13104

SOUTHERN CAPE DROUGHT--So intense is the drought in the southern Cape that farmers there have, for the first time, made application for the region to be declared drought-stricken. Sapa's correspondent reports that a farmers' action committee has been formed at Plettenberg Bay to deal with the drought. Virtually no rain fell in the region last month. The rainfall there this month has been well below average. The drought is also affecting parts of the northern, north-eastern and eastern Cape. The situation in the vicinity of Uitenhage and the Sundays River Valley has become critical, and rain is urgently needed in the Albany and Bathurst districts. [Text] [East London DAILY DISPATCH in English 27 Jun 86 p 15] /13104

EXPORTS UP TO ANTIAPARTHEID COUNTRIES--Exports to countries known to be politically antagonistic towards SA hit new highs in 1985. Figures compiled from the Monthly Abstract of Trade Statistics show that exports to the Netherlands doubled to R1,1bn in 1985 from R562m in 1984. Exports to Australia shot from R156m in 1984 to a massive R216m in 1985 while goods to Ireland rose by R20m to a new record of R84m. Exports to Luxembourg more than trebled to R661m last year compared to \$218m in 1984. Spain's intake doubled from R146m to R283m while Italy's buyers scooped goods to the value of R901m as against R567m the previous year. SA Foreign Trade Organisation (Safto) director Anne Moore confirmed last year's totals. "In real terms, trade volumes improved by about 20% in 1985 over 1984," she said. [Text] [Johannesburg BUSINESS DAY in English 24 Jun 86 p 12] /9274

PRECIOUS METAL SMUGGLING OPERATION--Members of the Benoni Vehicle Branch have discovered a precious metal smuggling operation between the Republic and other African countries. Cobalt is believed to be among the smuggled metals which were transported in secret compartments in trucks. The discovery was made this week when members of the unit raided premises of a transport firm in Wadeville, Germiston. Five 30-ton Mercedes-Benz trucks were found on the premises. The trucks were unlicensed and had false bottoms big enough for a man to fit in comfortably, said a spokesman for the unit. Forensic tests will be conducted to find out what types of goods have been carried in the compartments. Police are searching for a man believed to be involved. A 27-year-old driver has been arrested by police, who have also taken possession of the five trucks. [Text] [By Anna Louw] [Johannesburg THE STAR in English 27 Jun 86 p 1] /9274

NEIGHBORLY WATER AGREEMENT--South Africa and three of its neighbouring governments--Botswana, Mozambique and Zimbabwe--have managed to sink their differences and surmount strained relationships for the greater good of all four countries in at least one field--water. The Department of Water Affairs announced in Pretoria yesterday that a joint technical committee to be known as the Limpopo Basin Permanent Technical Committee, had been established between the four states to oversee the natural boundary between the states. The agreement was signed in Harare. A spokesman for the department said in Pretoria that as the Limpopo was the boundary to these states, the main function of the committee would be to advise the respective governments on matters concerning the Limpopo River basin. Such matters included measures to alleviate short-term water shortages in the basin during a drought; taking into account the existing amount of stored water; and water requirements in each country as well as short-term problems on pollution in the basin. The committee would also advise on the division of flows in the basin, as well as procedures, programming, operations, maintenance measurement of and abstraction of water, curtailing of abstraction and supervision of any mutual agreements. [Text] [Johannesburg THE CITIZEN in English 26 Jun 86 p 12] /9317

HOME BUILDING FIGURES--Increasing numbers of South Africans are building their own homes--but on average they appear to be doing so more cheaply. Figures released by Central Statistical Services in Pretoria show an increase in the number of building society bonds approved for the construction of new houses--from 1 502 between December 1984 and February 1986 to 2 343 in the same months of 1985/86. However, the size of the average bond decreased from just over R50 475 to R47 900 when the two periods were compared. Building societies, which have been relatively flush with cash recently, forked out a total of R112,2 million for bonds granted between December last year and February this year. This figure was well up on that for December to February 1984-85, when bonds allocated were worth R75,8 million. More people also bought existing houses and flats--10 648 between December 1985 and February 1986, as opposed to 7 848 in the corresponding period the previous year. The size of the average bond here has risen from R45 747 to R48 782. Among whites, the single largest number of mortgages fell into the R50 000 to R60 000 category, whereas among Asians the largest single number of bonds were worth between R30 000 and R40 000. [Text] [Johannesburg THE STAR in English 26 Jun 86 p 11] /9317

WEST TRANSVAAL WATER DRYING OUT--Groundwater in Western Transvaal's vital Grootfontein dolomitic compartment will be depleted in five years if the present pumping rate continues without recharge. This warning is contained in a report by the Water Research Commission (WRC). The Grootfontein compartment provides about 8 million cubic metres of water a year. Senior WRC adviser Dr Peter Roberts said it was one of South Africa's most highly utilised dolomite aquifers. It provided Mafikeng and Mmabatho's water supplies as well as water for farm irrigation. He said: "More than 15 million cubic metres of water were withdrawn from the compartment in the period from July 1983 until the end of June 1984. "Of this, seven million cubic metres were pumped to Mafikeng and Mmabatho from the Grootfontein Eye, while the balance was used by farmers." Dr Roberts said it was calculated that during June 1984 there had been about 124 million cubic metres of groundwater in the compartment. "Assuming only 66 percent of an aquifer can be economically dewatered, it means the Grootfontein compartment will only be able to meet the present demand of 15 million cubic metres for about five more years without any recharge." Dr Roberts said according to available data, the average annual recharge of the aquifer was about eight percent of annual rainfall. He added: "With a mean annual rainfall of 560 mm, the

compartment should be able to meet present demands for about another 11 years." The Department of Water Affairs earlier this year completed a pipeline to supplement water from Grootfontein Eye for Mafikeng and Mmabatho with groundwater from the Molopo Eye Government Water Scheme. Dr Roberts said if sufficient water could be obtained from the Molopo system, withdrawal from the Grootfontein Eye should be stopped to allow replenishment. [Text] [Johannesburg THE STAR in English 24 Jun 86 p 21] /9317

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